

# **Audited Financial Statements**

## **Banco ABC Brasil S.A.**

December 31, 2023 and 2022  
with Independent Auditor's Report

# **Banco ABC Brasil S.A.**

## **Financial Statements**

December 31, 2023 and 2022

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A free translation from Portuguese into English of Independent Auditor's Report on individual and consolidated financial statements prepared in Brazilian currency and in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

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## **Independent auditor's report on individual and consolidated financial statements**

To the Shareholders and management of

**Banco ABC Brasil S.A.**

São Paulo, SP

### **Opinion**

We have audited the individual and consolidated financial statements of Banco ABC Brasil S.A. (the "Bank"), identified as Bank and Consolidated, respectively, which comprise the balance sheet as at December 31, 2023, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of Banco ABC Brasil S.A. as at December 31, 2023, and its individual and consolidated financial performance and respective individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Bank and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled with the other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were the most significant in our audit of the financial statements of the current year. These matters have been addressed in the context of our audit of the individual and consolidated financial statements as a whole and in forming our opinion on these individual and consolidated financial statements, and we therefore do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any comments on the results of our procedures, is presented in the context of the financial statements taken as a whole.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including those related to these key audit matters. Accordingly, our audit included the performance of planned procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the Banks` financial statements.

### Technological environment

The Bank’s operations are highly dependent on its technological structure and its systems, which are subject to frequent changes, have high level of integration with each other and with sources of information external to the Bank, in addition to processing a high volume of transactions. As a result, we understand that technological environment is a key audit matter.

*How our audit addressed this matter:*

In the course of our audit, we engaged our internal team specialists to assist us in assessing significant risks related to the technology environment, as well as performing audit procedures to assess the design and operational effectiveness of general technology controls, for systems considered relevant in the context of the audit, with emphasis on change management processes and logical access granting to users. We also performed procedures to assess the effectiveness of automatic controls considered material, which support significant business processes and accounting records of operations. Finally, we performed tests of detail to assess the correct flow of information between systems, for the accounting routines considered relevant.

Based on the result of the audit procedures performed on the technology environment, which is consistent with the assessment of the Bank’s Management, we consider that the general technology controls on the relevant systems of the Bank and the accounting routines considered relevant operated in an acceptable manner, especially in the processing of accounting information considered relevant to the financial statements taken as a whole.

### Loan operations and provision for expected losses associated with the credit risk

As disclosed in the explanatory note nº 6 and 7, as at December 31, 2023, the Bank had a loan portfolio in the amount of R\$ 23,906,517 thousand (R\$ 23,922,457 thousand in the Consolidated), with a provision for expected losses associated with credit risk in the amount R\$ 860,181 thousand (Bank and in the Consolidated). Additionally, in the year then ended, the revenue from loan operations, as presented in the Income Statement, was R\$ 2,672,615 thousand (R\$ 2,675,813 thousand in the Consolidated) and the expenses for the provision for expected losses associated with credit risk was R\$ 325,619 thousand (Bank and in the Consolidated).

Due to the relevance to the financial statements taken as a whole, the subjectivities related to the Management's judgment when assessing the credit risk of the Bank's clients, as well as the operational complexity of the process of recognition of interest income from loan operations, we consider the loan operations and their provisions for expected losses associated with credit risk as one of the key audit matters.

*How our audit addressed this matter:*

In our audit procedures, we understood the process established by the Bank's Management and we performed tests of controls related to: (i) origin of transactions; (ii) analysis and approval of credit transactions considering the established levels; (iii) rating granted per transactions; borrower or economic group; (iv) analysis of guarantees received; (v) timely update of borrower's information; (vi) recognition of revenue from interest on operations under ordinary conditions; and (vii) suspension of revenue recognition on loan transactions past due for over 59 days; among others.

Our audit procedures also included, for a sample of loan operations, tests related to analysis of documentation supporting the level of allowances determined for a sample of clients, recalculation of the provision for expected losses associated with credit risk based on the ratings evaluated by the Bank, sending letters of confirmation of balance to selected borrowers, recalculation of the outstanding balance, analytical tests in addition to reviewing the presentations and disclosures related to the topic.

Based on the results of our audit procedures performed on loan operations and provision for expected losses associated with credit risk, which is consistent with the Bank's Management assessment, we considered that the criteria and assumptions adopted by the Bank's Management, as well as the disclosures presented in the explanatory notes nº 6 and 7, are acceptable in the context of the financial statements taken as a whole.

Fair value of securities classified as level 3

According to explanatory notes nº 5 as at December 31, 2023, the Bank and the Consolidated had securities classified as level 3 with regards to the hierarchical levels of fair value in the amount of R\$ 9,713,924 thousand (R\$ 9,504,698 thousand in the Consolidated). These securities do not have a price quoted in an active market and are measured based on valuation techniques that includes data not observed in the market.

Due to the relevance for the financial statements taken as a whole, the need for the Bank to develop an internal valuation methodology, using subjective assumptions and data not observed in the market, as well as the mathematical calculations that must be parameterized in systems or electronic spreadsheets, we considered the measurement of the fair value of securities classified in level 3 as one of the key audit matters.

*How our audit addressed this matter:*

Our audit procedures included, among others, (i) understanding the process, methodology and assumptions established by the Bank's management for pricing securities; (ii) evaluation of the design and operational effectiveness of the key controls related to the registration and pricing process for securities. In addition, based on sampling, we performed the following procedures for the selected operations: (i) confirmation of the existence of the item sampled, by verifying the extracts from the clearing houses and / or contracts signed between the parties, including verification of the main agreed terms and conditions; (ii) we independently recalculate the fair value of the items sampled and evaluate the methodologies and assumptions used by the Bank's management in determining the fair value.

Based on the result of the audit procedures performed on the measurement of the fair value of securities classified in the level 3, which is consistent with the Bank's management assessment, we considered that the assessment criteria and assumptions adopted by the Bank's management and the related disclosures in the explanatory note n° 5 are acceptable, in the context of the financial statements taken as a whole.

**Other matters**

**Statements of value added**

The individual and consolidated statements of value added (SVA) for the year ended as at December 31, 2023, prepared under the responsibility of Bank management, of which the presentation is required by law for listed companies and presented as supplementary information for purposes of BACEN's accounting practices, were submitted to audit procedures conducted together with the audit of individual and consolidated financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in accordance with the criteria defined in abovementioned technical pronouncement and are consistent in relation to the overall individual and consolidated financial statements.

## **Other information accompanying the individual and consolidated financial statements and auditor's report**

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management's Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the individual and consolidated financial statements**

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil (BACEN), and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for evaluating the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's and its subsidiaries' financial reporting process and include the Board of Directors and the Audit Committee of the Bank and its subsidiaries.

## **Auditor's responsibilities for the audit of the individual and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level

of assurance, but not a guarantee that the audit conducted in accordance with the Brazilian and International standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.’

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s and its subsidiaries’ internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

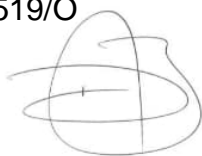
We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were the most significant in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 5, 2024.

ERNST & YOUNG  
Auditores Independentes S/S Ltda.  
CRC SP-034519/O



Rui Borges  
Accountant CRC SP-207135/O

# Banco ABC Brasil S.A.

Balance sheets  
December 31, 2023 and 2022  
(In thousands of reais)

A free translation from Portuguese into English of financial statements prepared in Brazilian currency and in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

	Notes	December 2023	December 2022	December 2023	December 2022
<b>Assets</b>					
Cash and banks	4	<b>646.803</b>	<b>329.813</b>	<b>647.009</b>	<b>329.879</b>
Financial instruments		<b>56.010.588</b>	<b>53.797.738</b>	<b>56.572.415</b>	<b>54.647.675</b>
Interbank investments		5.092.910	6.149.351	5.092.910	6.149.351
Foreign exchange portfolio	8	5.621.210	7.106.059	5.621.210	7.106.059
Marketable securities	5.a	19.249.520	13.447.247	19.089.734	13.674.494
Derivative financial instruments	5.b	2.140.431	1.680.988	2.846.104	2.284.559
Loans	6	23.906.517	25.414.093	23.922.457	25.433.212
Other assets		<b>1.578.764</b>	<b>1.325.367</b>	<b>2.788.015</b>	<b>1.903.598</b>
Interbank accounts		608.284	293.766	608.284	293.766
Trading and intermediation of securities	9.a	504.865	613.223	642.531	683.162
Receivables		24.443	23.950	28.480	23.950
Prepaid expenses		22.137	18.838	22.137	18.838
Non-financial assets held for sale		133.975	157.415	133.975	157.415
Sundry	9.b	285.060	218.175	1.352.608	726.467
Provisions for expected losses associated with credit risk	7	<b>(860.181)</b>	<b>(693.603)</b>	<b>(860.181)</b>	<b>(693.603)</b>
Deferred tax assets	19	<b>1.234.318</b>	<b>1.039.857</b>	<b>1.237.047</b>	<b>1.041.378</b>
Investments		<b>942.997</b>	<b>799.785</b>	<b>5.344</b>	<b>10.417</b>
Associates and subsidiaries	10	937.653	789.368	-	-
Other investments		5.344	10.417	5.344	10.417
Fixed assets	11	<b>95.292</b>	<b>78.093</b>	<b>95.292</b>	<b>78.093</b>
Intangible assets	11	<b>338.964</b>	<b>241.847</b>	<b>338.964</b>	<b>241.847</b>
Depreciation and amortization	11	<b>(191.293)</b>	<b>(150.440)</b>	<b>(191.293)</b>	<b>(150.440)</b>
Fixed assets		(63.471)	(55.454)	(63.471)	(55.454)
Intangible assets		(127.822)	(94.986)	(127.822)	(94.986)
<b>Total assets</b>		<b>59.796.252</b>	<b>56.768.457</b>	<b>60.632.612</b>	<b>57.408.844</b>

The accompanying notes are integral part of these financial statements.

## Banco ABC Brasil S.A.

Balance sheets  
December 31, 2023 and 2022  
(In thousands of reais)

	Notes	Bank		Consolidated	
		December 2023	December 2022	December 2023	December 2022
<b>Liabilities and shareholders' equity</b>					
Deposits and financial instruments		<b>52,734,629</b>	<b>50,563,514</b>	<b>53,216,934</b>	<b>50,965,031</b>
Deposits	12	10,559,081	10,380,568	10,472,468	10,354,303
Money market funding	12	1,712,389	1,519,555	1,683,322	1,448,963
Funds from acceptance and issue of securities	12	19,805,243	17,351,698	19,805,243	17,351,698
Borrowings and Onlending	12	10,529,944	10,474,740	10,633,277	10,474,740
Derivative financial instruments	5.b	1,859,241	1,459,819	2,353,893	1,958,193
Foreign exchange portfolio	8	5,751,342	7,129,718	5,751,342	7,129,718
Subordinated debts	12	2,517,389	2,247,416	2,517,389	2,247,416
<b>Other liabilities</b>		<b>535,787</b>	<b>448,080</b>	<b>726,448</b>	<b>542,143</b>
Interbank accounts		16	29	16	29
Interbranch accounts		160,494	100,200	160,494	100,200
Social and statutory		172,643	82,037	172,643	82,037
Taxes and social security	14.a	174,676	186,083	235,835	212,656
Trading and intermediation of securities	14.c	2,469	32,298	132,001	99,803
Sundry	14.b	25,489	47,433	25,459	47,418
<b>Provisions</b>	13	<b>303,869</b>	<b>316,111</b>	<b>388,147</b>	<b>421,196</b>
<b>Deferred tax obligations</b>	19	<b>350,238</b>	<b>235,366</b>	<b>415,712</b>	<b>273,071</b>
<b>Shareholders' equity</b>		<b>5,871,729</b>	<b>5,205,386</b>	<b>5,885,371</b>	<b>5,207,403</b>
<b>Capital</b>	24.a	<b>4,472,131</b>	<b>4,315,017</b>	<b>4,472,131</b>	<b>4,315,017</b>
Brazilian residents		1,134,708	1,052,046	1,134,708	1,052,046
Foreign residents		3,337,423	3,262,971	3,337,423	3,262,971
Capital reserve		82,530	57,334	82,530	57,334
Profit reserve		1,413,017	918,594	1,413,017	918,594
Other comprehensive income		(26,623)	(3,397)	(26,623)	(3,397)
Treasury stock	24.e	(69,326)	(82,162)	(69,326)	(82,162)
Non controlling shareholders interest		-	-	13,642	2,017
<b>Total liabilities</b>		<b>59,796,252</b>	<b>56,768,457</b>	<b>60,632,612</b>	<b>57,408,844</b>

The accompanying notes are integral part of these financial statements.

# Banco ABC Brasil S.A.

## Income statements Years and Six-month ended December 31, 2023 and 2022 (In thousands of reais)

Notes	Bank				Consolidated			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
<b>Income from financial intermediation</b>	<b>3,305,789</b>	<b>5,441,439</b>	<b>2,844,490</b>	<b>4,076,613</b>	<b>3,395,675</b>	<b>5,616,433</b>	<b>2,908,191</b>	<b>4,181,066</b>
Loan operations	1,537,228	2,672,615	1,566,035	2,450,682	1,538,440	2,675,813	1,567,630	2,452,221
Marketable securities	1,455,335	2,807,223	1,041,918	1,603,484	1,450,400	2,817,495	1,056,679	1,629,421
Gain or Losses on derivative financial instruments	5.b 283,114	137,198	186,345	55,609	376,723	298,722	233,690	132,586
Foreign exchange operations	30,112	(175,597)	50,192	(33,162)	30,112	(175,597)	50,192	(33,162)
<b>Expenses from financial intermediation</b>	<b>(2,627,087)</b>	<b>(4,098,146)</b>	<b>(2,117,659)</b>	<b>(2,618,778)</b>	<b>(2,620,503)</b>	<b>(4,087,775)</b>	<b>(2,113,831)</b>	<b>(2,607,656)</b>
Funding expenses	(1,937,829)	(3,715,134)	(1,731,539)	(2,990,942)	(1,931,245)	(3,704,763)	(1,727,711)	(2,979,820)
Borrowings and onlendings	(537,788)	(57,959)	(214,040)	602,190	(537,788)	(57,959)	(214,040)	602,190
Constitution of provisions for expected losses associated with credit risk	7 (151,460)	(325,619)	(172,143)	(230,416)	(151,460)	(325,619)	(172,143)	(230,416)
Constitution of provisions for expected losses associated with credit risk - fx variation on credit assignment operations	(10)	566	63	390	(10)	566	63	390
<b>Gross income from financial intermediation</b>	<b>678,702</b>	<b>1,343,293</b>	<b>726,831</b>	<b>1,457,835</b>	<b>775,172</b>	<b>1,528,658</b>	<b>794,360</b>	<b>1,573,410</b>
<b>Other operating income (expenses)</b>	<b>(147,274)</b>	<b>(364,848)</b>	<b>(162,703)</b>	<b>(335,154)</b>	<b>(193,267)</b>	<b>(467,786)</b>	<b>(202,686)</b>	<b>(405,089)</b>
Income from services rendered	15 161,247	306,399	208,274	367,979	230,585	395,737	228,781	401,864
Personnel expenses	(233,426)	(456,719)	(209,552)	(397,515)	(249,321)	(477,165)	(213,422)	(404,654)
Other administrative expenses	16 (156,129)	(300,126)	(144,708)	(261,343)	(158,308)	(303,436)	(145,655)	(263,146)
Taxes	(67,949)	(109,463)	(59,099)	(101,063)	(85,251)	(136,576)	(65,920)	(112,332)
Equity pick-up from subsidiaries	10 78,412	138,071	49,491	82,521	-	-	-	-
Other operating income	17 73,719	67,369	2,460	3,980	73,984	67,896	6,227	7,845
Other operating expenses	18 (3,148)	(10,379)	(9,569)	(29,713)	(4,956)	(14,242)	(12,697)	(34,666)
<b>Operating income</b>	<b>531,428</b>	<b>978,445</b>	<b>564,128</b>	<b>1,122,681</b>	<b>581,905</b>	<b>1,060,872</b>	<b>591,674</b>	<b>1,168,321</b>
<b>Non-operating income</b>	<b>3,523</b>	<b>4,034</b>	<b>4,433</b>	<b>688</b>	<b>3,523</b>	<b>4,034</b>	<b>4,433</b>	<b>688</b>
<b>Income before taxes and profit sharing</b>	<b>534,951</b>	<b>982,479</b>	<b>568,561</b>	<b>1,123,369</b>	<b>585,428</b>	<b>1,064,906</b>	<b>596,107</b>	<b>1,169,009</b>
<b>Income and social contribution taxes</b>	<b>19 59,513</b>	<b>121,866</b>	<b>(13,946)</b>	<b>(74,534)</b>	<b>25,730</b>	<b>59,711</b>	<b>(39,145)</b>	<b>(115,504)</b>
Current	2,305	61,293	(57,469)	(32,131)	(15,578)	25,668	(65,939)	(47,495)
Deferred	57,208	60,573	43,523	(42,403)	41,308	34,043	26,794	(68,009)
<b>Profit sharing / statutory contributions</b>	<b>22 (134,783)</b>	<b>(252,763)</b>	<b>(139,195)</b>	<b>(248,601)</b>	<b>(139,344)</b>	<b>(259,491)</b>	<b>(140,025)</b>	<b>(250,810)</b>
<b>Non controlling shareholders interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,133)</b>	<b>(13,544)</b>	<b>(1,517)</b>	<b>(2,461)</b>
<b>Net income for the period</b>	<b>459,681</b>	<b>851,582</b>	<b>415,420</b>	<b>800,234</b>	<b>459,681</b>	<b>851,582</b>	<b>415,420</b>	<b>800,234</b>
Earnings per share - basic in R\$	24.f 2.08	3.85	1.88	3.63				
Earnings per share - diluted in R\$	24.f 2.05	3.80	1.86	3.59				

The accompanying notes are integral part of these financial statements.

## Banco ABC Brasil S.A.

Statements of comprehensive income  
Years and Six-month ended December 31, 2023 and 2022  
(In thousands of reais)

	Bank and consolidated			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
<b>Net income for the period</b>	<b>459,681</b>	<b>851,582</b>	<b>415,420</b>	<b>800,234</b>
<b>Items that can subsequently be reclassified to profit or loss</b>				
<b>Other comprehensive income / (loss)</b>	<b>(19,334)</b>	<b>(23,226)</b>	<b>20,585</b>	<b>6,815</b>
Other comprehensive income - adjustment to market value	(35,196)	(42,210)	37,113	12,365
Tax effects	15,862	18,984	(16,528)	(5,550)
<b>Other comprehensive income</b>	<b>440,347</b>	<b>828,356</b>	<b>436,005</b>	<b>807,049</b>

The accompanying notes are integral part of these financial statements.

## Banco ABC Brasil S.A.

Statements of changes in shareholders' equity  
 Years ended December 31, 2023 and 2022 and  
 Six-month period ended December 31, 2023  
 (In thousands of reais)

	Bank								
	Capital	Capital Reserve	Legal Reserve	Equalization of dividends	Share buyback	Other Comprehensive Income	Retained earnings	Treasury shares	Total
<b>Balances at December 31, 2021</b>	<b>4,315,017</b>	<b>32,246</b>	<b>28,609</b>	<b>342,913</b>	<b>55,000</b>	<b>(10,212)</b>	<b>-</b>	<b>(94,110)</b>	<b>4,669,463</b>
Adjustment to market value - securities	-	-	-	-	-	6,815	-	-	6,815
Acquisition / distribution of treasury shares	-	-	-	-	-	-	-	11,948	11,948
Net income for the period	-	-	-	-	-	-	800,234	-	800,234
Interest on equity	-	-	-	-	-	-	(308,162)	-	(308,162)
Allocation - Legal reserve	-	-	40,012	-	-	-	(40,012)	-	-
Constitution of reserves	-	-	-	452,060	-	-	(452,060)	-	-
Allocations of reserves - Management remuneration	-	25,088	-	-	-	-	-	-	25,088
<b>Balances at December 31, 2022</b>	<b>4,315,017</b>	<b>57,334</b>	<b>68,621</b>	<b>794,973</b>	<b>55,000</b>	<b>(3,397)</b>	<b>-</b>	<b>(82,162)</b>	<b>5,205,386</b>
Adjustment to market value - securities	-	-	-	-	-	(23,226)	-	-	(23,226)
Acquisition / distribution of treasury shares	-	-	-	-	-	-	-	12,836	12,836
Capital Increase	157,114	-	-	-	-	-	-	-	157,114
Net income for the period	-	-	-	-	-	-	851,582	-	851,582
Interest on equity	-	-	-	-	-	-	(357,159)	-	(357,159)
Allocation - Legal reserve	-	-	42,579	-	-	-	(42,579)	-	-
Constitution of reserves	-	-	-	451,844	-	-	(451,844)	-	-
Allocations of reserves - Management remuneration	-	25,196	-	-	-	-	-	-	25,196
<b>Balances at December 31, 2023</b>	<b>4,472,131</b>	<b>82,530</b>	<b>111,200</b>	<b>1,246,817</b>	<b>55,000</b>	<b>(26,623)</b>	<b>-</b>	<b>(69,326)</b>	<b>5,871,729</b>
<b>Balances at June 30, 2023</b>	<b>4,315,017</b>	<b>66,314</b>	<b>88,216</b>	<b>794,973</b>	<b>55,000</b>	<b>(7,289)</b>	<b>187,467</b>	<b>(78,887)</b>	<b>5,420,811</b>
Adjustment to market value - securities	-	-	-	-	-	(19,334)	-	-	(19,334)
Acquisition / distribution of treasury shares	-	-	-	-	-	-	-	9,561	9,561
Capital Increase	157,114	-	-	-	-	-	-	-	157,114
Net income for the period	-	-	-	-	-	-	459,681	-	459,681
Interest on equity	-	-	-	-	-	-	(172,320)	-	(172,320)
Allocation - Legal reserve	-	-	22,984	-	-	-	(22,984)	-	-
Constitution of reserves	-	-	-	451,844	-	-	(451,844)	-	-
Allocations of reserves - Management remuneration	-	16,216	-	-	-	-	-	-	16,216
<b>Balances at December 31, 2023</b>	<b>4,472,131</b>	<b>82,530</b>	<b>111,200</b>	<b>1,246,817</b>	<b>55,000</b>	<b>(26,623)</b>	<b>-</b>	<b>(69,326)</b>	<b>5,871,729</b>

The accompanying notes are integral part of these financial statements.

## Banco ABC Brasil S.A.

Statements of changes in shareholders' equity  
 Years ended December 31, 2023 and 2022 and  
 Six-month period ended December 31, 2023  
 (In thousands of reais)

	Consolidated									
	Capital	Capital Reserve	Legal Reserve	Income reserve Equalization of dividends	Share buyback	Other Comprehensive Income	Retained earnings	Treasury shares	Non controlling shareholders intereste	Total
<b>Balances at December 31, 2021</b>	<b>4,315,017</b>	<b>32,246</b>	<b>28,609</b>	<b>342,913</b>	<b>55,000</b>	<b>(10,212)</b>	<b>-</b>	<b>(94,110)</b>	<b>1,195</b>	<b>4,670,658</b>
Adjustment to market value - securities	-	-	-	-	-	6,815	-	-	-	6,815
Acquisition / distribution of treasury shares	-	-	-	-	-	-	-	11,948	-	11,948
Net income for the period	-	-	-	-	-	-	800,234	-	2,461	802,695
Interest on equity	-	-	-	-	-	-	(308,162)	-	-	(308,162)
Dividends distributed	-	-	-	-	-	-	-	-	(1,639)	(1,639)
Allocation - Legal reserve	-	-	40,012	-	-	-	(40,012)	-	-	-
Constitution of reserves	-	-	-	452,060	-	-	(452,060)	-	-	-
Allocations of reserves - Management remuneration	-	25,088	-	-	-	-	-	-	-	25,088
<b>Balances at December 31, 2022</b>	<b>4,315,017</b>	<b>57,334</b>	<b>68,621</b>	<b>794,973</b>	<b>55,000</b>	<b>(3,397)</b>	<b>-</b>	<b>(82,162)</b>	<b>2,017</b>	<b>5,207,403</b>
Adjustment to market value - securities	-	-	-	-	-	(23,226)	-	-	-	(23,226)
Acquisition / distribution of treasury shares	-	-	-	-	-	-	-	12,836	-	12,836
Capital Increase	157,114	-	-	-	-	-	-	-	1,009	158,123
Net income for the period	-	-	-	-	-	-	851,582	-	13,544	865,126
Interest on equity	-	-	-	-	-	-	(357,159)	-	-	(357,159)
Dividends distributed	-	-	-	-	-	-	-	-	(2,928)	(2,928)
Allocation - Legal reserve	-	-	42,579	-	-	-	(42,579)	-	-	-
Constitution of reserves	-	-	-	451,844	-	-	(451,844)	-	-	-
Allocations of reserves - Management remuneration	-	25,196	-	-	-	-	-	-	-	25,196
<b>Balances at December 31, 2023</b>	<b>4,472,131</b>	<b>82,530</b>	<b>111,200</b>	<b>1,246,817</b>	<b>55,000</b>	<b>(26,623)</b>	<b>-</b>	<b>(69,326)</b>	<b>13,642</b>	<b>5,885,371</b>
<b>Balances at June 30, 2023</b>	<b>4,315,017</b>	<b>66,314</b>	<b>88,216</b>	<b>794,973</b>	<b>55,000</b>	<b>(7,289)</b>	<b>187,467</b>	<b>(78,887)</b>	<b>1,911</b>	<b>5,422,722</b>
Adjustment to market value - securities	-	-	-	-	-	(19,334)	-	-	-	(19,334)
Acquisition / distribution of treasury shares	-	-	-	-	-	-	-	9,561	-	9,561
Capital Increase	157,114	-	-	-	-	-	-	-	1,009	158,123
Net income for the period	-	-	-	-	-	-	459,681	-	12,133	471,814
Interest on equity	-	-	-	-	-	-	(172,320)	-	-	(172,320)
Dividends distributed	-	-	-	-	-	-	-	-	(1,411)	(1,411)
Allocation - Legal reserve	-	-	22,984	-	-	-	(22,984)	-	-	-
Constitution of reserves	-	-	-	451,844	-	-	(451,844)	-	-	-
Allocations of reserves - Management remuneration	-	16,216	-	-	-	-	-	-	-	16,216
<b>Balances at December 31, 2023</b>	<b>4,472,131</b>	<b>82,530</b>	<b>111,200</b>	<b>1,246,817</b>	<b>55,000</b>	<b>(26,623)</b>	<b>-</b>	<b>(69,326)</b>	<b>13,642</b>	<b>5,885,371</b>

The accompanying notes are integral part of these financial statements.

# Banco ABC Brasil S.A.

## Statements of cash flows - Indirect method Years and Six-month ended December 31, 2023 and 2022 (In thousands of reais)

non-financial assets	Bank				Consolidated			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
<b>Operating activities</b>								
<b>Adjusted net income of the period</b>	<b>84,986</b>	<b>676,048</b>	<b>511,716</b>	<b>1,119,076</b>	<b>180,520</b>	<b>843,224</b>	<b>578,824</b>	<b>1,228,248</b>
Net income of the period	459,681	851,582	415,420	800,234	459,681	851,582	415,420	800,234
<b>Adjustment to net income:</b>	<b>(374,695)</b>	<b>(175,534)</b>	<b>96,296</b>	<b>318,842</b>	<b>(279,161)</b>	<b>(8,358)</b>	<b>163,404</b>	<b>428,014</b>
Depreciation and amortization	23,460	41,109	16,333	30,949	23,460	41,109	16,333	30,949
Equity pick-up from subsidiaries	(78,412)	(138,071)	(49,491)	(82,521)	-	-	-	-
Gain (loss) on disposal of non-financial assets	(4,685)	(4,104)	1,133	10,964	(4,685)	(4,104)	1,133	10,964
Gain (loss) on disposal of fixed assets and intangible	-	-	219	219	-	-	219	219
Provision for impairment of non-financial assets	271	1,345	3,111	8,483	271	1,345	3,111	8,483
Constitution of provisions for expected losses associated with credit risk	151,460	325,619	172,143	230,416	151,460	325,619	172,143	230,416
Constitution of provisions for expected losses associated with credit risk - fx variation on credit assignment operations	10	(566)	(63)	(390)	10	(566)	(63)	(390)
Provision for contingent liabilities and legal liabilities	(72,915)	(55,299)	6,236	22,743	(71,693)	(52,724)	7,124	23,788
Deferred tax	(57,208)	(60,573)	(43,523)	42,403	(41,308)	(34,043)	(26,794)	68,009
Effects of Changes in Foreign Exchange Rates on Cash and Cash Equivalents	(4,332)	(2,808)	(15,188)	(20,241)	(4,332)	(2,808)	(15,188)	(20,241)
Effects of Changes in Foreign Exchange Rates on Assets and Liabilities	(332,344)	(282,186)	5,386	75,817	(332,344)	(282,186)	5,386	75,817
<b>Changes in assets and liabilities</b>	<b>569,794</b>	<b>(1,268,288)</b>	<b>2,093,235</b>	<b>2,421,864</b>	<b>631,467</b>	<b>(1,457,163)</b>	<b>2,025,403</b>	<b>2,311,428</b>
Interbank investments	(61,457)	160,232	650,652	1,039,744	(61,457)	160,232	650,652	1,039,744
Marketable securities and derivative financial instruments	(1,008,025)	(5,891,971)	332,243	(1,671,054)	(723,760)	(5,610,762)	272,623	(1,773,268)
Foreign exchange portfolio	57,546	106,473	72,188	88,968	57,546	106,473	72,188	88,968
Loans operations	(903,108)	1,352,466	(1,300,472)	(2,360,315)	(901,997)	1,355,645	(1,320,139)	(2,378,250)
Other assets	(85,693)	(467,065)	159,385	(216,947)	(562,731)	(1,099,293)	(544)	(354,943)
Other liabilities	(351,804)	392,763	(132,672)	(79,100)	(248,612)	477,715	(6,153)	1,296
Deposits	2,370,971	178,513	1,491,267	2,324,106	2,410,350	118,165	1,592,645	2,398,504
Money market funding	432,616	481,929	207,560	100,748	446,445	523,454	152,583	97,689
Borrowings and onlendings	(902,099)	51,381	(4,778,405)	(1,749,289)	(798,766)	154,714	(4,778,405)	(1,749,289)
Funds from acceptance and issue of securities	1,068,527	2,453,545	5,434,935	5,006,674	1,068,527	2,453,545	5,434,935	5,006,674
Tax paid	(47,680)	(86,554)	(43,446)	(61,671)	(54,078)	(97,051)	(44,982)	(65,697)
<b>Cash flow (used in) / provided by operating activities</b>	<b>654,780</b>	<b>(592,240)</b>	<b>2,604,951</b>	<b>3,540,940</b>	<b>811,987</b>	<b>(613,939)</b>	<b>2,604,227</b>	<b>3,539,676</b>
<b>Investments activities</b>								
Acquisition of investments	(10,059)	(212,349)	(3,213)	(6,171)	(188)	(2,251)	(3,009)	(5,664)
Acquisition of fixed assets and intangible	(56,404)	(114,572)	(47,507)	(84,592)	(56,404)	(114,572)	(47,507)	(84,592)
Acquisition of non-financial assets	(11,826)	(14,205)	(2,407)	(49,483)	(11,826)	(14,205)	(2,407)	(49,483)
Disposal of investments	7,324	7,324	-	-	7,324	7,324	721	721
Disposal of fixed non-financial assets and intangible assets	-	-	721	721	-	-	-	-
Disposal of non-financial assets	30,209	36,171	6,785	40,683	30,209	36,171	6,785	40,683
Allocations of reserves of capital	16,216	25,196	14,136	25,088	16,216	25,196	14,136	25,088
Dividends received	91,440	112,605	-	-	-	-	-	-
Capital reduction	87,279	87,279	-	-	-	-	-	-
<b>Cash (used in) / provided by investment activities</b>	<b>154,179</b>	<b>(72,551)</b>	<b>(31,485)</b>	<b>(73,754)</b>	<b>(14,669)</b>	<b>(62,337)</b>	<b>(31,281)</b>	<b>(73,247)</b>
<b>Financing activities</b>								
Subordinated debts	150,262	269,973	269,961	546,896	150,262	269,973	269,961	546,896
Debts instruments eligible for capital	-	-	(6,059)	(7,313)	-	-	(6,059)	(7,313)
Treasury shares	9,561	12,836	6,332	11,948	9,561	12,836	6,332	11,948
Capital increase	157,114	157,114	-	-	158,123	158,123	-	-
Interest on equity provisioned	(172,320)	(357,159)	(161,658)	(308,162)	(172,320)	(357,159)	(161,658)	(308,162)
Dividends distributed	-	-	-	-	(1,411)	(2,928)	(945)	(1,639)
Non controlling shareholders interest	-	-	-	-	12,133	13,544	1,517	2,461
<b>Cash(used in) / provided by financing activities</b>	<b>144,617</b>	<b>82,764</b>	<b>108,576</b>	<b>243,369</b>	<b>156,348</b>	<b>94,389</b>	<b>109,148</b>	<b>244,191</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>953,576</b>	<b>(582,027)</b>	<b>2,682,042</b>	<b>3,710,555</b>	<b>953,666</b>	<b>(581,887)</b>	<b>2,682,094</b>	<b>3,710,620</b>
At beginning of the period	3,694,292	5,229,895	2,547,853	1,519,340	3,694,408	5,229,961	2,547,867	1,519,341
At end of the period - Note 4	4,647,868	4,647,868	5,229,895	5,229,895	4,648,074	4,648,074	5,229,961	5,229,961
<b>Change in cash and cash equivalents.</b>	<b>953,576</b>	<b>(582,027)</b>	<b>2,682,042</b>	<b>3,710,555</b>	<b>953,666</b>	<b>(581,887)</b>	<b>2,682,094</b>	<b>3,710,620</b>

The accompanying notes are integral part of these financial statements.



# Banco ABC Brasil S.A.

## Statements of value added Years and Six-month ended December 31, 2023 and 2022 (In thousands of reais)

	Note	Bank				Consolidated			
		2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
<b>Determination of value added</b>									
<b>Income</b>		<b>3,389,285</b>	<b>5,490,154</b>	<b>2,883,144</b>	<b>4,218,546</b>	<b>3,548,774</b>	<b>5,755,013</b>	<b>2,971,119</b>	<b>4,360,749</b>
Income from financial intermediation		3,305,789	5,441,439	2,844,490	4,076,613	3,395,675	5,616,433	2,908,191	4,181,066
Income from services rendered	15	161,247	306,399	208,274	367,979	230,585	395,737	228,781	401,864
Constitution of provisions for expected losses associated with credit risk	7	(151,460)	(325,619)	(172,143)	(230,416)	(151,460)	(325,619)	(172,143)	(230,416)
Constitution of provisions for expected losses associated with credit risk - fx variation on credit assignment operations		(10)	566	63	390	(10)	566	63	390
Other operating income	17	73,719	67,369	2,460	3,980	73,984	67,896	6,227	7,845
<b>Financial intermediation expenses</b>		<b>(2,475,617)</b>	<b>(3,773,093)</b>	<b>(1,945,579)</b>	<b>(2,388,752)</b>	<b>(2,469,033)</b>	<b>(3,762,722)</b>	<b>(1,941,751)</b>	<b>(2,377,630)</b>
<b>Inputs acquired from third parties</b>		<b>(119,705)</b>	<b>(240,739)</b>	<b>(123,650)</b>	<b>(239,594)</b>	<b>(123,636)</b>	<b>(247,856)</b>	<b>(127,725)</b>	<b>(246,350)</b>
Telecommunications and data processing	16	(40,952)	(80,925)	(33,899)	(58,328)	(41,058)	(81,060)	(33,914)	(58,362)
Services provided by third parties	16	(8,135)	(15,570)	(8,834)	(16,033)	(8,845)	(16,724)	(9,325)	(17,041)
Financial services	16	(20,733)	(39,926)	(18,277)	(34,935)	(20,820)	(40,032)	(18,295)	(34,972)
Specialized technical services	16	(18,601)	(34,367)	(30,538)	(52,938)	(18,706)	(34,735)	(30,603)	(53,115)
Travel expenses	16	(5,286)	(9,425)	(4,185)	(6,671)	(5,394)	(9,594)	(4,207)	(6,713)
Promotions and public relations, advertising and publicity	16	(13,145)	(26,613)	(10,769)	(21,280)	(13,174)	(26,642)	(10,771)	(21,284)
Other operating expenses	18	(3,148)	(10,379)	(9,569)	(29,713)	(4,956)	(14,242)	(12,697)	(34,666)
Non-operating income		4,010	6,297	9,208	21,298	4,010	6,297	9,208	21,298
Non-operating expense		(487)	(2,263)	(4,775)	(20,610)	(487)	(2,263)	(4,775)	(20,610)
Other administrative expenses	16	(13,228)	(27,568)	(12,012)	(20,384)	(14,206)	(28,861)	(12,346)	(20,885)
<b>Gross value added</b>		<b>793,963</b>	<b>1,476,322</b>	<b>813,915</b>	<b>1,590,200</b>	<b>956,105</b>	<b>1,744,435</b>	<b>901,643</b>	<b>1,736,769</b>
<b>Retained values</b>		<b>(23,460)</b>	<b>(41,109)</b>	<b>(16,333)</b>	<b>(30,949)</b>	<b>(23,460)</b>	<b>(41,109)</b>	<b>(16,333)</b>	<b>(30,949)</b>
Depreciation and amortization	16	(23,460)	(41,109)	(16,333)	(30,949)	(23,460)	(41,109)	(16,333)	(30,949)
<b>Net value added</b>		<b>770,503</b>	<b>1,435,213</b>	<b>797,582</b>	<b>1,559,251</b>	<b>932,645</b>	<b>1,703,326</b>	<b>885,310</b>	<b>1,705,820</b>
<b>Added value received in transfer</b>		<b>78,412</b>	<b>138,071</b>	<b>49,491</b>	<b>82,521</b>	-	-	-	-
Equity pick-up from subsidiaries		78,412	138,071	49,491	82,521	-	-	-	-
<b>Added value distributed</b>		<b>848,915</b>	<b>1,573,284</b>	<b>847,073</b>	<b>1,641,772</b>	<b>932,645</b>	<b>1,703,326</b>	<b>885,310</b>	<b>1,705,820</b>
<b>Value added distribution</b>		<b>848,915</b>	<b>1,573,284</b>	<b>847,073</b>	<b>1,641,772</b>	<b>932,645</b>	<b>1,703,326</b>	<b>885,310</b>	<b>1,705,820</b>
<b>Salaries and social charges</b>		<b>315,482</b>	<b>611,689</b>	<b>301,273</b>	<b>559,926</b>	<b>332,438</b>	<b>634,675</b>	<b>305,378</b>	<b>568,110</b>
Direct compensation		136,977	274,474	122,327	231,665	148,143	289,033	125,287	236,938
Benefits		31,056	59,013	29,507	59,056	31,833	60,066	29,678	59,489
Social Charges - FGTS		10,736	22,076	8,775	17,573	11,188	22,722	8,919	17,842
Training		1,930	3,363	1,469	3,031	1,930	3,363	1,469	3,031
Profit sharing		134,783	252,763	139,195	248,601	139,344	259,491	140,025	250,810
<b>Taxes, charges and compulsory contributions</b>		<b>61,163</b>	<b>85,390</b>	<b>120,519</b>	<b>261,787</b>	<b>115,748</b>	<b>178,846</b>	<b>153,134</b>	<b>315,190</b>
Federal		51,823	67,430	109,082	240,959	100,924	153,386	141,179	293,549
State		103	103	1	1	2,964	4,528	64	64
Municipal		9,237	17,857	11,436	20,827	11,860	20,932	11,891	21,577
<b>Compensation of third party capital</b>		<b>12,589</b>	<b>24,623</b>	<b>9,861</b>	<b>19,825</b>	<b>12,645</b>	<b>24,679</b>	<b>9,861</b>	<b>19,825</b>
Rental	16	12,589	24,623	9,861	19,825	12,645	24,679	9,861	19,825
<b>Compensation of shareholders</b>		<b>459,681</b>	<b>851,582</b>	<b>415,420</b>	<b>800,234</b>	<b>471,814</b>	<b>865,126</b>	<b>416,937</b>	<b>802,695</b>
Interest on equity	24.b	172,320	357,159	161,658	308,162	172,320	357,159	161,658	308,162
Retained profit		287,361	494,423	253,762	492,072	287,361	494,423	253,762	492,072
Non controlling shareholders interest		-	-	-	-	12,133	13,544	1,517	2,461

The accompanying notes are integral part of these financial statements.

# Banco ABC Brasil S.A.

Notes to the financial statements  
December 31, 2023 and 2022  
(In thousands of reais)

## 1. Operations

The Bank is a publicly traded corporation and a subsidiary of the Bank ABC, based in Bahrain. In Brazil, the Bank is engaged in asset and liability operations inherent to multiple bank activities, being authorized to operate with commercial, foreign exchange, investment, credit and financing and housing financing portfolios.

The Bank's operations are conducted through branches in Brazil and abroad through an overseas branch located in Georgetown, Cayman Islands (Note 21).

The financial statements were approved by the Board of Directors on February 05, 2024.

## 2. Financial statements presentation, consolidation criteria and significant accounting practices

### i) Financial statements presentation and consolidation criteria

The financial statements (individual and consolidated) were prepared and are presented in accordance with accounting practices adopted in Brazil, in light of accounting guidelines contained in Law No. 6,404/76 with amendments introduced by Law No. 11,638/07 and 11,941/09, and the standards and instructions of the Central Bank of Brazil (BACEN) and the Brazilian Securities and Exchange Commission (CVM).

The consolidated financial statements include the individual financial statements of Banco ABC Brasil S.A. and its subsidiaries:

<u>Direct subsidiaries</u>	<u>% Participation</u>
ABC Brasil Distribuidora de Títulos e Valores Mobiliários S.A.	100%
ABC Brasil Administração e Participações Ltda.	100%
ABC Brasil Comercializadora de Energia Ltda.	100%
ABC IB Holding Ltda. (1)	90,55%
<u>Indirect subsidiaries</u>	<u>% Participation</u>
ABC Brasil Corretora de Seguros Ltda.	90%
Leblon Gestora de Créditos Ltda. (1)	100%
ABC M&A e ECM Ltda. (2)	100%
ABC DCM LTDA. (2)	100%
ABC Holding Financeira Ltda. (2)	100%
<u>Investment funds</u>	
Fundo de Investimento em Direitos Creditórios não padronizado ABC I.(3)	
Baraúna Fundo de Investimento Multimercado Crédito Privado. (4)	

(1) The company ABC IB Holding Ltda and Leblon Gestora de Créditos Ltda.began to be consolidated in June 2023.

## **Banco ABC Brasil S.A.**

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(2) The companies ABC M&A and ECM Ltda., ABC DCM Ltda., and ABC Holding Financeira Ltda., controlled by the ABC IB Holdings Ltda., began to be consolidated in August 2023.

(3) The Fundo de investimento em Direitos Creditórios não padronizado ABC I began to be consolidated in January 2023 and is controlled through ABC Brasil Administração e Participações Ltda., where it holds 100% of the shares in this fund.

(4) The Baraúna Fundo de Investimento Multimercado Crédito Privado began to be consolidated in September 2023 and is controlled by Banco ABC Brasil S.A., where it holds 100% of the shares in this fund.

The accounting practices adopted to record operations and assess the Bank's assets, including operations conducted by the overseas branch and its consolidated subsidiaries were consistently applied and investments, rights, obligations and profit and loss (P&L) among consolidated companies were eliminated.

According to the faculty provided in Art. No. 77 of CMN Resolution No. 4,966/2021, the consolidated financial statements are presented in addition to the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), which are required by Resolution CMN No. 4,818/2020 and will be published later.

### ii) Functional currency and presentation currency

The consolidated financial statements are presented in Brazilian Reais (R\$), which is the functional and presentation currency of the Banco ABC Brasil S.A. and its subsidiaries, defined in accordance with Resolution No. 4,524/16 and No 4.817/20 of the National Monetary Council.

### iii) Foreign currencies translation

The assets and liabilities of the subsidiaries are converted at the exchange rate of the Financial Statements date. The result is converted by the average monthly exchange rate.

### iv) Significant accounting practices

The Accounting Pronouncements Committee (CPC) issues accounting pronouncements and interpretations in line with international accounting standards and approved by the CVM and by Bacen, in its turn, the Brazilian Central Bank adopted the following pronouncements: CPC 00 (R1) - Conceptual Framework for Preparation and Disclosure of Financial and Accounting Report; CPC 01 (R1) - Reduction in the Recoverable Value of Assets; CPC 03 (r3) - Statement of Cash Flows; CPC 05 (R1) - Disclosure about Parties; CPC 24 - Provisions, Contingent Liabilities and Contingent Liabilities; CPC 33 (R1) - CPC 10 (R1) - Share-Based Payment; CPC 23 - Accounting Policies, Change of Estimate and Error Correction, CPC 24 - Subsequent Event, Employee Benefits, CPC 41- Earnings per share, CPC 46 - Measuring the fair value and CPC 47 Revenue from contract with client.

## **Banco ABC Brasil S.A.**

Notes to the financial statements  
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In addition, BACEN issued CMN Resolution CMN No. 4,966/21, CMN Resolution No. 5,019/22 and Resolution BCB No. 309/23- Is related to deals with the accounting concepts and criteria applicable to financial instruments as well as for the designation and recognition of hedging (hedge accounting) seeking the convergence of the criterion accounting of COSIF for the requirements of the international standard of IFRS 9. The Resolution enters into force on January 1, 2025, and the Bank started the impact assessments and necessary changes to meet its implementation and the identification and treatment of expected impacts, which have not yet been measured.

The preparation and presentation of the financial statements (individual and consolidated) in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil, require that management use assumptions and professional judgment in determining amounts and in recording of accounting estimates, such as the allowance for loan losses, realization deferred income tax, provision for contingencies and valuation of derivative instruments receivable and payable. Settlement of these transactions involving these estimates may result in amounts different from those estimated, due to the uncertainties related to the determination process.

Significant accounting practices are summarized as follows:

a) *Asset valuation criteria*

Interbank investments, loans and other rights, except for marketable securities and derivative financial instruments, are stated at cost of acquisition, of investment or release, plus exchange rate variation, monetary restatement and contractual interest. Allowances are recognized for adjustment to realizable value when market value is lower.

Marketable securities and derivative financial instruments are classified in accordance with management's intention to hold them in the portfolio, or their availability for sale, and are recorded as follows:

Trading securities: are acquired for the purpose of being actively and frequently traded. They are adjusted to market value with the related gain or loss recognized directly in the statements of income for the period.

Held to maturity: marketable securities for which the Bank has the intent and ability to maintain in portfolio to maturity are stated at cost, plus earnings reflected in the statements of income for the period. Permanent losses are recognized in P&L for the period.

Available for sale: marketable securities which cannot be classified as either trading securities or as held to maturity are adjusted to market value. The difference between the amounts restated by the yield curve of the security and market value is recorded under a separate account in shareholders' equity, net of tax effects, and transferred to the statements of income for the period when effectively realized. Permanent losses are recognized in P&L for the period.

Derivative financial instruments: marked to market against P&L for the period.

## **Banco ABC Brasil S.A.**

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Forward operations are recorded at final contracted value, less the difference between such value and cash value of the asset or right. This difference is recognized as income or expenses based on the agreement effective terms.

Option transactions are recorded at the value of premiums paid or received through effective exercise thereof reduction restated at market value. They are then written off as a decrease or increase in asset or right cost, for the effective exercise thereof, or as income or expenses if not exercised.

Futures transactions are recorded at daily adjustment values, allocated as income or expenses.

Swap operations are recorded at the value of the receivables-payables difference, which is allocated as income or expenses.

Operations with other derivative financial instruments are recorded based on the agreement characteristics.

The provisions for expected losses associated with credit risk are recognized at an amount considered sufficient to cover potential losses on the Bank's loan portfolio, based on past experience, assessment of delinquent accounts and collateral risks, as well as specific terms and conditions of the operations, in conformity with National Monetary Council Resolution No. 2,682/99 of the National Monetary Council.

The provision for guarantees provided is based on the assessment of the losses associated with the probability of future disbursements related to the guarantees, and specific characteristics of the operations performed according to the requirements of National Monetary Council Resolution No. 4,512/16 of the National Monetary Council. It is recorded in an amount considered sufficient to cover probable losses during the entire term of the guarantee provided. The classification of operations is consistent with the requirements applied by Resolution No. 2,682/99 of the National Monetary Council.

Investments in subsidiaries are stated by the equity method in proportion to the Bank's ownership interest; other investments are stated at cost of acquisition, less a reserve, where applicable, to cover permanent losses.

Assets and rights classified under fixed assets in use are stated at cost of acquisition, less depreciation, where applicable, provided under the straight-line method using rates that take the useful lives of the assets into consideration.

Intangible assets are stated at cost of acquisition, less amortization, where applicable, provided under the straight-line method over the estimated useful lives of the assets, as from the date these were made available for use.

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### b) *Cash and cash equivalents*

Cash and cash equivalents, as established in Resolution CMN No. 4.818/20 e CPC 03 include cash, bank deposits, short-term highly liquid investments, with insignificant risks of changes in value, with maturity less or equal than 90 days.

### c) *Liability valuation criteria*

Known or calculable obligations, charges and risks, including tax charges calculated on the basis of the results of the period, are shown at the updated value up to the balance sheet date.

Cash deposit transactions are not remunerated by the Bank. Transactions in interbank deposits, term deposits, open market borrowings and funds from acceptances and issuance of securities are traded at normal market rates.

Foreign loan obligations include funds raised for use in commercial foreign exchange operations related to export and import financing, as well as investments in transfers and financing in foreign currency.

Such obligations are subject to exchange variation and international market interest and are updated by exchange variation and charges, calculated up to the balance sheet date.

The obligations for transfers of the country are represented by funds and special programs administered by official institutions, which are passed on to the final borrowers and are updated by official indices and charges, calculated up to the balance sheet date.

Foreign transfers obligations are represented by funds obtained by the Bank from multilateral agencies (IDB - Inter-American Development Bank, PROPARCO – Societe de Promotion et de de Participation pour la Cooperation Economique SA and IFC – International Finance Corporation and) which are passed on to final borrowers and are updated by exchange variation and charges calculated up to the balance sheet date.

### d) *Hedge Accounting*

Considering the risk of foreign exchange exposure as well as market conditions of capture abroad through foreign transfers bonds, the Bank has selected some derivative financial instruments to total hedge (fair value hedge) the principal amounts of loans taken out and related interest due. In order to equalize the effects of mark to market of the derivative financial instruments selected for hedge purposes to market, the principal hedged amount, plus, interest due, is stated at fair value and also mark to market.

The variation in the fair value of hedge derivatives is recognized in the income statement. However, the variation in the fair value of the hedged item attributed to the hedged risk is accounted for as part of its book value, also recognized in the statement of income for the year. When a hedge instrument matures or is sold, cancelled or exercised, or when it does not meet hedge accounting requirements, the hedge strategy ends.

## **Banco ABC Brasil S.A.**

Notes to the financial statements  
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The objectives of this operation and the hedging strategy for such risks during the entire operation are duly documented, together with the assessment, both at the beginning of the hedge transaction and on an ongoing basis, confirming that derivative financial instruments of the hedging operations are highly effective in the offset of variations in the fair value (mark to market) of the hedged item. A hedge instrument is considered highly effective when the variation in the fair value or cash flow of the coverage risk during the hedging period reduces 80% to 125% of the risk variation.

The fair value of the derivative financial instruments used as hedge, as well as the market value of the loan subject to hedge, are disclosed in Notes 5.b and 12.b respectively.

### *e) Recognition of revenues and expenses*

Revenues and expenses, including income, charges, monetary or exchange variances of inflation indices or official exchange rates applicable to current and noncurrent / long-term assets and liabilities, are recognized on accrual basis. Income and expenses also include the effects of asset adjustments to market or realizable value. Interest on past-due loan installments outstanding for over 59 days is recognized only when the respective amount is received.

Deferred income and social contribution taxes on temporary differences arising from nontaxable or nondeductible income and expenses, the future additions or exclusions of which are authorized by tax legislation, are also determined on the accrual basis.

### *f) Contingent assets and contingent liabilities*

The recognition, measurement and disclosure of contingent assets and liabilities, and legal liabilities take place according to the criteria described below:

- Contingent assets - are not recognized in the financial statements, except when there is evidence providing guarantee of their realization, on which further appeals can no longer be filed.
- Contingent liabilities - are recognized in the financial statements when, based on the opinion of legal advisors and the Bank's management, the risk of loss of a legal or administrative proceeding is regarded as probable, with a probable outflow of funds for settling the liabilities, and when the amounts involved may be measured with sufficient accuracy. Contingent liabilities classified by legal advisors as possible losses are only disclosed in notes, whereas those classified as remote losses do not require provision or disclosure.

### *g) Impairment of non-financial assets*

An impairment provision is recognized when the book value of an asset, or its cash-generating unit, exceeds its recoverable amount. An impairment provision is recognized in profit and loss of the period.

## Banco ABC Brasil S.A.

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### h) *Income and Social Contribution Taxes*

Provisions for income tax and social contribution, when due, are based on accounting profit, adjusted for additions and exclusions provided for in tax legislation. Deferred income tax and social contribution are calculated on the amount of temporary differences, whenever the realization of these amounts is deemed probable.

## 3. Current and non-current segregation

### *Classification of current and noncurrent / long-term assets and liabilities*

The assets and liabilities realizable up to twelve months after the balance sheet, for the purposes of disclosure in this explanatory note, are classified in current and those whose maturity or actual settlement occurs in the twelve months after the balance sheet date are classified in non-current. The deferred tax credits and tax liabilities are classified in their entirety in non-current regardless of the realization period. The trading securities are classified in current asset, regardless of their maturity date and securities classified as available and held to maturity for sale are classified according to the maturity date, regardless of its liquidity, as established by Circular Bacen No. 3,068 / 01.

The segregation of the balance sheet between current and non-current is demonstrated in below, in accordance with Resolution 4,818/20 and Bacen Resolutions No 2/20.

i) Estimates of future realizations of deferred tax assets and obligations were determined according note 19 are shown below:

	Bank			Consolidated		
	Up to 1 Year	Over 1 year	Total	Up to 1 year	Over 1 year	Total
Deferred tax assets	1,137,111	97,207	<b>1,234,318</b>	1,139,840	97,207	<b>1,237,047</b>
Deferred tax credits	350,238	-	<b>350,238</b>	415,712	-	<b>415,712</b>

ii) The Financial treasury bills - LFT, classified as available for sale, presented in the balance sheet by the maturity, even though they have high liquidity and amount to R\$ 716,283 in the Bank and R\$ 765,780 in the consolidated in December 31, 2023.

iii) The Public Securities classified as held to maturity are liable to be converted into cash through repo operations in the amount R\$ 2,178,893, classified in the long term, in the Bank and Consolidated in December 31, 2023.



## Banco ABC Brasil S.A.

Notes to the financial statements  
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### 3. Current and non-current segregation

Notes	Bank						
	December 2023			December 2022			
	Current	Non-current	Total	Current	Non-current	Total	
<b>Assets</b>							
Cash and banks	4	<b>646,803</b>	-	<b>646,803</b>	329,813	-	<b>329,813</b>
<b>Financial instruments</b>		<b>39,437,917</b>	<b>16,572,671</b>	<b>56,010,588</b>	<b>37,442,995</b>	<b>16,354,743</b>	<b>53,797,738</b>
Interbank investments		4,971,201	121,709	5,092,910	6,101,084	48,267	6,149,351
Foreign exchange portfolio	8	5,541,913	79,297	5,621,210	6,606,871	499,188	7,106,059
Marketable securities	5.a	10,389,207	8,860,313	19,249,520	6,414,356	7,032,891	13,447,247
Derivative financial instruments	5.b	1,703,249	437,182	2,140,431	1,213,056	467,932	1,680,988
Loans	6	16,832,347	7,074,170	23,906,517	17,107,628	8,306,465	25,414,093
<b>Other assets</b>		<b>1,512,476</b>	<b>66,288</b>	<b>1,578,764</b>	<b>1,273,889</b>	<b>51,478</b>	<b>1,325,367</b>
Interbank accounts		605,073	3,211	608,284	290,460	3,306	293,766
Trading and intermediation of securities	9.a	504,865	-	504,865	613,223	-	613,223
Receivables		18,909	5,534	24,443	19,828	4,122	23,950
Prepaid expenses		11,523	10,614	22,137	12,151	6,687	18,838
Non-financial assets held for sale		96,975	37,000	133,975	120,415	37,000	157,415
Sundry	9.b	275,131	9,929	285,060	217,812	363	218,175
Provisions for expected losses associated with credit risk	7	<b>(672,523)</b>	<b>(187,658)</b>	<b>(860,181)</b>	<b>(515,126)</b>	<b>(178,477)</b>	<b>(693,603)</b>
Deferred tax assets	19	-	<b>1,234,318</b>	<b>1,234,318</b>	-	<b>1,039,857</b>	<b>1,039,857</b>
Investments		-	<b>942,997</b>	<b>942,997</b>	-	<b>799,785</b>	<b>799,785</b>
Associates and subsidiaries	10	-	937,653	937,653	-	789,368	789,368
Other investments		-	5,344	5,344	-	10,417	10,417
Fixed assets	11	-	<b>95,292</b>	<b>95,292</b>	-	<b>78,093</b>	<b>78,093</b>
Intangible assets	11	-	<b>338,964</b>	<b>338,964</b>	-	<b>241,847</b>	<b>241,847</b>
Depreciation and amortization	11	-	<b>(191,293)</b>	<b>(191,293)</b>	-	<b>(150,440)</b>	<b>(150,440)</b>
Fixed assets		-	(63,471)	(63,471)	-	(55,454)	(55,454)
Intangible assets		-	(127,822)	(127,822)	-	(94,986)	(94,986)
<b>Total assets</b>		<b>40,924,673</b>	<b>18,871,579</b>	<b>59,796,252</b>	<b>38,531,571</b>	<b>18,236,886</b>	<b>56,768,457</b>

# Banco ABC Brasil S.A.

Notes to the financial statements  
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## 3. Current and non-current segregation

Notes	Bank					
	December 2023			December 2022		
	Current	Non-current	Total	Current	Non-current	Total
<b>Liabilities and shareholders' equity</b>						
Deposits and financial Instruments	<b>36,100,804</b>	<b>16,633,825</b>	<b>52,734,629</b>	<b>36,628,723</b>	<b>13,934,791</b>	<b>50,563,514</b>
Deposits	12 9,585,323	973,758	10,559,081	9,025,209	1,355,359	10,380,568
Money market funding	12 1,712,389	-	1,712,389	1,519,555	-	1,519,555
Funds from acceptance and issue of securities	12 8,468,254	11,336,989	19,805,243	9,321,026	8,030,672	17,351,698
Borrowings and Onlending	12 8,881,944	1,648,000	10,529,944	8,517,679	1,957,061	10,474,740
Derivative financial instruments	5.b 1,380,144	479,097	1,859,241	1,070,946	388,873	1,459,819
Foreign exchange portfolio	8 5,671,086	80,256	5,751,342	6,937,681	192,037	7,129,718
Subordinated debts	12 401,664	2,115,725	2,517,389	236,627	2,010,789	2,247,416
Other liabilities	<b>515,691</b>	<b>20,096</b>	<b>535,787</b>	<b>420,240</b>	<b>27,840</b>	<b>448,080</b>
Interbank accounts	16	-	16	29	-	29
Interbranch accounts	160,492	2	160,494	100,200	-	100,200
Social and statutory	172,320	323	172,643	81,716	321	82,037
Taxes and social security	14.a 172,112	2,564	174,676	183,879	2,204	186,083
Trading and intermediation of securities	14.c 2,469	-	2,469	32,298	-	32,298
Sundry	14.b 8,282	17,207	25,489	22,118	25,315	47,433
Provisions	13 <b>282,245</b>	<b>21,624</b>	<b>303,869</b>	<b>298,493</b>	<b>17,618</b>	<b>316,111</b>
Deferred tax obligations	19 -	<b>350,238</b>	<b>350,238</b>	-	<b>235,366</b>	<b>235,366</b>
Shareholders' equity	-	<b>5,871,729</b>	<b>5,871,729</b>	-	<b>5,205,386</b>	<b>5,205,386</b>
Capital	24.a -	<b>4,472,131</b>	<b>4,472,131</b>	-	<b>4,315,017</b>	<b>4,315,017</b>
Brazilian residents	-	1,134,708	1,134,708	-	1,052,046	1,052,046
Foreign residents	-	3,337,423	3,337,423	-	3,262,971	3,262,971
Capital reserve	-	82,530	82,530	-	57,334	57,334
Profit reserve	-	1413,017	1,413,017	-	918,594	918,594
Other comprehensive income	-	(26,623)	(26,623)	-	(3,397)	(3,397)
Treasury stock	24.e -	(69,326)	(69,326)	-	(82,162)	(82,162)
Total liabilities	<b>36,898,740</b>	<b>22,897,512</b>	<b>59,796,252</b>	<b>37,347,456</b>	<b>19,421,001</b>	<b>56,768,457</b>

## Banco ABC Brasil S.A.

Notes to the financial statements  
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### 3. Current and non-current segregation

Notes	Consolidated						
	December 2023			December 2022			
	Current	Non-current	Total	Current	Non-current	Total	
<b>Assets</b>							
Cash and banks	4	<b>647,009</b>	-	<b>647,009</b>	329,879	-	<b>329,879</b>
Financial instruments		<b>39,914,959</b>	<b>16,657,456</b>	<b>56,572,415</b>	<b>37,845,293</b>	<b>16,802,382</b>	<b>54,647,675</b>
Interbank investments		4,971,201	121,709	5,092,910	6,101,084	48,267	6,149,351
Foreign exchange portfolio	8	5,541,913	79,297	5,621,210	6,606,871	499,188	7,106,059
Marketable securities	5.a	10,391,960	8,697,774	19,089,734	6,432,644	7,241,850	13,674,494
Derivative financial instruments	5.b	2,161,598	684,506	2,846,104	1,597,066	687,493	2,284,559
Loans	6	16,848,287	7,074,170	23,922,457	17,107,628	8,325,584	25,433,212
Other assets		<b>2,164,743</b>	<b>623,272</b>	<b>2,788,015</b>	<b>1,632,211</b>	<b>271,387</b>	<b>1,903,598</b>
Interbank accounts		605,073	3,211	608,284	290,460	3,306	293,766
Trading and intermediation of securities	9.a	642,531	-	642,531	683,162	-	683,162
Receivables		22,946	5,534	28,480	19,828	4,122	23,950
Prepaid expenses		11,523	10,614	22,137	12,151	6,687	18,838
Non-financial assets held for sale		96,975	37,000	133,975	120,415	37,000	157,415
Sundry	9.b	785,695	566,913	1,352,608	506,195	220,272	726,467
Provisions for expected losses associated with credit risk	7	<b>(672,523)</b>	<b>(187,658)</b>	<b>(860,181)</b>	<b>(515,126)</b>	<b>(178,477)</b>	<b>(693,603)</b>
Deferred tax assets	19	-	<b>1,237,047</b>	<b>1,237,047</b>	-	<b>1,041,378</b>	<b>1,041,378</b>
Investments		-	<b>5,344</b>	<b>5,344</b>	-	<b>10,417</b>	<b>10,417</b>
Other investments		-	5,344	5,344	-	10,417	10,417
Fixed assets	11	-	<b>95,292</b>	<b>95,292</b>	-	<b>78,093</b>	<b>78,093</b>
Intangible assets	11	-	<b>338,964</b>	<b>338,964</b>	-	<b>241,847</b>	<b>241,847</b>
Depreciation and amortization	11	-	<b>(191,293)</b>	<b>(191,293)</b>	-	<b>(150,440)</b>	<b>(150,440)</b>
Fixed assets		-	(63,471)	(63,471)	-	(55,454)	(55,454)
Intangible assets		-	(127,822)	(127,822)	-	(94,986)	(94,986)
<b>Total assets</b>		<b>42,054,188</b>	<b>18,578,424</b>	<b>60,632,612</b>	<b>39,292,257</b>	<b>18,116,587</b>	<b>57,408,844</b>

## Banco ABC Brasil S.A.

Notes to the financial statements  
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### 3. Current and non-current segregation

Notes	Consolidated					
	December 2023			December 2022		
	Current	Non-current	Total	Current	Non-current	Total
<b>Liabilities and shareholders' equity</b>						
Deposits and financial Instruments	<b>36,450,363</b>	<b>16,766,571</b>	<b>53,216,934</b>	<b>36,884,739</b>	<b>14,080,292</b>	<b>50,965,031</b>
Deposits	12 9,531,822	940,646	10,472,468	9,021,902	1,332,401	10,354,303
Money market funding	12 1,683,322	-	1,683,322	1,448,963	-	1,448,963
Funds from acceptance and issue of securities	12 8,468,254	11,336,989	19,805,243	9,321,026	8,030,672	17,351,698
Borrowings and Onlending	12 8,985,277	1,648,000	10,633,277	8,517,679	1,957,061	10,474,740
Derivative financial instruments	5.b 1,708,938	644,955	2,353,893	1,400,861	557,332	1,958,193
Foreign exchange portfolio	8 5,671,086	80,256	5,751,342	6,937,681	192,037	7,129,718
Subordinated debts	12 401,664	2,115,725	2,517,389	236,627	2,010,789	2,247,416
Other liabilities	<b>706,172</b>	<b>20,276</b>	<b>726,448</b>	<b>514,292</b>	<b>27,851</b>	<b>542,143</b>
Interbank accounts	16	-	16	29	-	29
Interbranch accounts	160,492	2	160,494	100,200	-	100,200
Social and statutory	172,320	323	172,643	81,716	321	82,037
Taxes and social security	14.a 233,091	2,744	235,835	210,441	2,215	212,656
Trading and intermediation of securities	14.c 132,001	-	132,001	99,803	-	99,803
Sundry	14.b 8,252	17,207	25,459	22,103	25,315	47,418
Provisions	13 <b>349,114</b>	<b>39,033</b>	<b>388,147</b>	<b>394,114</b>	<b>27,082</b>	<b>421,196</b>
Deferred tax obligations	19 -	<b>415,712</b>	<b>415,712</b>	-	<b>273,071</b>	<b>273,071</b>
Shareholders' equity	-	<b>5,885,371</b>	<b>5,885,371</b>	-	<b>5,207,403</b>	<b>5,207,403</b>
Capital	24.a -	<b>4,472,131</b>	<b>4,472,131</b>	-	<b>4,315,017</b>	<b>4,315,017</b>
Brazilian residents	-	1,134,708	1,134,708	-	1,052,046	1,052,046
Foreign residents	-	3,337,423	3,337,423	-	3,262,971	3,262,971
Capital reserve	-	82,530	82,530	-	57,334	57,334
Profit reserve	-	1,413,017	1,413,017	-	918,594	918,594
Other comprehensive income	-	(26,623)	(26,623)	-	(3,397)	(3,397)
Treasury stock	24.e -	(69,326)	(69,326)	-	(82,162)	(82,162)
Non controlling shareholders interest	-	13,642	13,642	-	2,017	2,017
Total liabilities	<b>37,505,649</b>	<b>23,126,963</b>	<b>60,632,612</b>	<b>37,793,145</b>	<b>19,615,699</b>	<b>57,408,844</b>

# Banco ABC Brasil S.A.

Notes to the financial statements  
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## 4. Cash and cash equivalents

	Bank		Consolidated	
	December 2023	December 2022	December 2023	December 2022
Cash and banks	646,803	329,813	647,009	329,879
Interbank investments	4,001,065	4,900,082	4,001,065	4,900,082
Foreign investments	270,252	838,842	270,252	838,842
Applications in the open market and in interbank deposits (a)	3,730,813	4,061,240	3,730,813	4,061,240
<b>Total cash and cash equivalents</b>	<b>4,647,868</b>	<b>5,229,895</b>	<b>4,648,074</b>	<b>5,229,961</b>

(a) Related to operations whose maturity on the date of effective investment was equal to or less than 90 days and which have an insignificant risk of change in value.

## 5. Marketable securities and derivative financial instruments

### a) Marketable securities

The classification of marketable securities at December 31, 2023 and December 31, 2022 are as follows:

	December 2023				December 2022	
	Bank		Consolidated		Bank	Consolidated
	Cost	Market/ Accounting	Cost	Market/ Accounting	Market/ Accounting	Market/ Accounting
<b>Trading securities</b>						
Financial Treasury Bills - "LFT"	94,661	94,735	95,730	95,805	67,796	67,796
Eurobonds	40,729	38,424	40,729	38,424	21,957	21,957
National Treasury Notes - "NTN - B"	2,126,129	2,173,495	2,126,129	2,173,495	1,074,627	1,074,627
Debentures	352,535	354,300	352,535	354,300	246,147	246,147
American Treasury Notes – T-Bills	-	-	-	-	1,419,820	1,419,820
Foreign government bonds	1,948,476	1,947,892	1,948,476	1,947,892	-	-
Public Company Shares	164,898	132,731	164,898	132,731	173,322	173,322
Funds investment	1,126	1,126	2,810	2,810	-	-
<b>Subtotal - Trading securities</b>	<b>4,728,554</b>	<b>4,742,703</b>	<b>4,731,307</b>	<b>4,745,457</b>	<b>3,003,669</b>	<b>3,003,669</b>
<b>Securities available for sale (b)</b>						
Financial Treasury Bills - "LFT"	716,537	716,283	766,000	765,780	1,282,301	1,491,260
Eurobonds	55,142	51,243	50,674	51,243	32,687	32,687
National Treasury Notes - "NTN - B"	525,365	525,578	525,365	525,578	895,237	895,237
National Treasury Notes - "NTN - A"	87,304	109,841	114,787	109,841	119,906	119,906
Certificate of Real State Receivables – "CRI"	6,691	6,690	6,691	6,690	2,683	2,683
Debentures	1,860,053	1,817,172	1,837,038	1,817,171	1,608,981	1,608,981
Promissory Notes - "NP"	1,245,723	1,235,997	1,245,723	1,235,997	709,636	709,636
Rural Product bills - "CPR"	3,901,369	3,899,599	3,901,369	3,899,599	3,131,819	3,131,819
Foreign government bonds	497,808	497,790	497,808	497,790	-	-
Funds in infrastructure holdings	48,266	47,454	48,266	47,454	21,579	39,867
Financial Bills - "LF"	81,265	80,999	81,265	80,999	62,307	62,307
Certificate of Agribusiness Receivables - "CRA"	65,906	60,013	65,906	60,013	89,266	89,266
Certificate of receivables - "CR"	60,682	60,465	60,682	60,465	60,000	60,000
Funds investment credit creditors	220,710	219,852	220,710	219,852	20,101	20,101
Shares of Closed Companies	17,798	17,798	17,798	17,798	9,386	9,386
National commercial	2,571,165	2,560,793	2,359,129	2,348,757	-	-
<b>Subtotal - Securities available for sale</b>	<b>11,961,784</b>	<b>11,907,567</b>	<b>11,799,211</b>	<b>11,745,027</b>	<b>8,045,889</b>	<b>8,273,136</b>
<b>Held to maturity (a)</b>						
National Treasury Notes - "NTN - B"	335,543	335,543	335,543	335,543	279,330	279,330
National treasury bills - "LTN"	425,302	425,302	425,302	425,302	567,522	567,522
National treasury bills - "NTN - F"	1,838,405	1,838,405	1,838,405	1,838,405	1,550,837	1,550,837
<b>Subtotal - held to maturity</b>	<b>2,599,250</b>	<b>2,599,250</b>	<b>2,599,250</b>	<b>2,599,250</b>	<b>2,397,689</b>	<b>2,397,689</b>
<b>Total</b>	<b>19,289,588</b>	<b>19,249,520</b>	<b>19,129,768</b>	<b>19,089,734</b>	<b>13,447,247</b>	<b>13,674,494</b>

## Banco ABC Brasil S.A.

### Notes to the financial statements December 31, 2023 and 2022 (In thousands of reais)

- (a) Securities classified as held to maturity are valued at amortized cost. If they were valued at market value, on December 31, 2023, would have negative adjustment of R\$ 18,382 (negative adjustment of R\$ 151,638 on December 31, 2022), based on active market price.
- (b) The market value submitted is net of the allowance for devaluation considered permanent in the securities in the amount of R\$ 29,898 on December 31, 2023 (R\$ 66,473 on December 31, 2022).

At December 31, 2023, unrealized income on securities classified as available for sale totaled a loss of R\$ 54,184 (loss of R\$ 6,164 at December 31, 2022), which is recorded in equity under the account "Other comprehensive income" net of tax effects, amounting loss to R\$ 26,623 (loss of R\$ 3,397 at December 31, 2022).

The composition of the portfolio as of December 31, 2023 and 2022, considering the hierarchical levels of fair value measurement are shown as follows:

	Bank				Consolidated			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>December 2023</b>								
Trading securities	4,641,526	101,177	-	<b>4,742,703</b>	4,641,526	101,121	2,810	<b>4,745,457</b>
Securities available for sale	1,549,665	643,978	9,713,924	<b>11,907,567</b>	1,599,161	643,978	9,501,888	<b>11,745,027</b>
Held to maturity	2,599,250	-	-	<b>2,599,250</b>	2,599,250	-	-	<b>2,599,250</b>
<b>Total</b>	<b>8,790,441</b>	<b>745,155</b>	<b>9,713,924</b>	<b>19,249,520</b>	<b>8,839,937</b>	<b>745,099</b>	<b>9,504,698</b>	<b>19,089,734</b>
<b>December 2022</b>								
Trading securities	2,827,119	176,550	-	<b>3,003,669</b>	2,827,119	176,550	-	<b>3,003,669</b>
Securities available for sale	2,752,801	2,100,919	3,192,169	<b>8,045,889</b>	2,980,048	2,100,919	3,192,169	<b>8,273,136</b>
Held to maturity	2,397,689	-	-	<b>2,397,689</b>	2,397,689	-	-	<b>2,397,689</b>
<b>Total</b>	<b>7,977,609</b>	<b>2,277,469</b>	<b>3,192,169</b>	<b>13,447,247</b>	<b>8,204,856</b>	<b>2,277,469</b>	<b>3,192,169</b>	<b>13,674,494</b>

Measurement of fair value - level 1 is based on quoted prices (not adjusted) in active markets for identical assets or liabilities.

Measurement of fair value - level 2 is based on other variables in addition to observable quoted prices included in level 1 for asset or liability, whether directly (i.e., as prices) or indirectly (i.e., based on prices).

Measurement of fair value - level 3 is based are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Banco ABC Brasil S.A.

Notes to the financial statements  
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The Bank's portfolios at December 31, 2023, classified by maturity, are as follows:

	Bank						Total
	December 2023						
	Without maturity	Up to 3 months	3 to 6 months	6 to 12 Months	1 to 3 years	Over 3 years	
<b>Trading securities</b>							
Financial Treasury Bills - "LFT"	-	30,694	-	49,516	14,525	-	94,735
Eurobonds	-	-	-	-	12,400	26,024	38,424
National Treasury Notes - "NTN - B"	-	-	-	143,714	236,166	1,793,615	2,173,495
Debentures	-	-	-	9,610	1,914	342,776	354,300
Foreign government bonds	-	-	-	1,947,892	-	-	1,947,892
Public Company Shares	132,731	-	-	-	-	-	132,731
Funds investment	1,126	-	-	-	-	-	1,126
<b>Subtotal - Trading securities</b>	<b>133,857</b>	<b>30,694</b>	<b>-</b>	<b>2,150,732</b>	<b>265,005</b>	<b>2,162,415</b>	<b>4,742,703</b>
<b>Securities available for sale</b>							
Financial Treasury Bills - "LFT"	-	-	-	2,583	429,405	284,295	716,283
Eurobonds	-	-	-	-	51,243	-	51,243
National Treasury Notes - "NTN - B"	-	-	-	434,335	-	91,243	525,578
National Treasury Notes - "NTN - A"	-	-	109,841	-	-	-	109,841
Certificate of Real State Receivables - "CRI"	-	-	-	-	1,642	5,048	6,690
Debentures	-	-	-	461,049	852,361	503,762	1,817,172
Promissory Notes - "NP"	-	74,486	357,268	59,650	674,107	70,486	1,235,997
Rural product bills - "CPR"	-	447,103	647,394	701,322	1,200,691	903,089	3,899,599
Foreign government bonds	-	-	-	497,790	-	-	497,790
Funds in infrastructure holdings	47,454	-	-	-	-	-	47,454
Financial Bills - "LF"	-	-	-	29,657	51,342	-	80,999
Certificate of Agribusiness Receivables - "CRA"	-	-	-	-	9,757	50,256	60,013
Certificate of Real State Receivables - "CRI"	-	-	-	-	-	60,465	60,465
Funds investment credit creditors	219,852	-	-	-	-	-	219,852
Shares of Closed Companies	17,798	-	-	-	-	-	17,798
National commercial	-	502,575	428,395	187,595	1,360,973	81,255	2,560,793
<b>Subtotal - Securities available for sale</b>	<b>285,104</b>	<b>1,024,164</b>	<b>1,542,898</b>	<b>2,373,981</b>	<b>4,631,521</b>	<b>2,049,899</b>	<b>11,907,567</b>
<b>Held to maturity</b>							
National Treasury Notes - "NTN - B"	-	-	-	170,418	18,166	146,959	335,543
National Treasury Bills - "LTN"	-	249,939	-	-	175,363	-	425,302
National Treasury Bills - "NTN - F"	-	-	-	-	592,172	1,246,233	1,838,405
<b>Subtotal - Held to maturity</b>	<b>-</b>	<b>249,939</b>	<b>-</b>	<b>170,418</b>	<b>785,701</b>	<b>1,393,192</b>	<b>2,599,250</b>
<b>Total - December 2023</b>	<b>418,961</b>	<b>1,304,797</b>	<b>1,542,898</b>	<b>4,695,131</b>	<b>5,682,227</b>	<b>5,605,506</b>	<b>19,249,520</b>
<b>Total - December 2022</b>	<b>224,388</b>	<b>1,804,741</b>	<b>1,512,673</b>	<b>1,496,845</b>	<b>4,079,841</b>	<b>4,328,759</b>	<b>13,447,247</b>

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	Consolidated						Total
	December 2023						
	Without maturity	Up to 3 months	3 to 6 months	6 to 12 Months	1 to 3 years	Over 3 years	
<b>Trading securities</b>							
Financial Treasury Bills - "LFT"	-	30,694	-	49,516	15,595	-	95,805
Eurobonds	-	-	-	-	12,400	26,024	38,424
National Treasury Notes - "NTN - B"	-	-	-	143,714	236,166	1,793,615	2,173,495
Debentures	-	-	-	9,611	1,913	342,776	354,300
Foreign government bonds	-	-	-	1,947,892	-	-	1,947,892
Public Company Shares	132,731	-	-	-	-	-	132,731
Funds investment	2,810	-	-	-	-	-	2,810
<b>Subtotal - Trading securities</b>	<b>135,541</b>	<b>30,694</b>	<b>-</b>	<b>2,150,733</b>	<b>266,074</b>	<b>2,162,415</b>	<b>4,745,457</b>
<b>Securities available for sale</b>							
Financial Treasury Bills - "LFT"	-	-	-	2,583	478,902	284,295	765,780
Eurobonds	-	-	-	-	51,243	-	51,243
National Treasury Notes - "NTN - B"	-	-	-	434,335	-	91,243	525,578
National Treasury Notes - "NTN - A"	-	-	109,841	-	-	-	109,841
Certificate of Real State Receivables – "CRI"	-	-	-	-	1,642	5,048	6,690
Debentures	-	-	-	461,049	852,360	503,762	1,817,171
Promissory Notes - "NP"	-	74,486	357,268	59,651	674,106	70,486	1,235,997
Rural product bills - "CPR"	-	447,102	647,394	701,322	1,200,692	903,089	3,899,599
Foreign government bonds	-	-	-	497,790	-	-	497,790
Funds in infrastructure holdings	47,454	-	-	-	-	-	47,454
Financial Bills - "LF"	-	-	-	29,657	51,342	-	80,999
Certificate of Agribusiness Receivables - "CRA"	-	-	-	-	9,757	50,256	60,013
Certificate of receivables - "CR"	-	-	-	-	-	60,465	60,465
Funds investment credit creditors	219,852	-	-	-	-	-	219,852
Shares of Closed Companies	17,798	-	-	-	-	-	17,798
National commercial	-	502,574	428,395	187,595	1,148,938	81,255	2,348,757
<b>Subtotal - Securities available for sale</b>	<b>285,104</b>	<b>1,024,162</b>	<b>1,542,898</b>	<b>2,373,982</b>	<b>4,468,982</b>	<b>2,049,899</b>	<b>11,745,027</b>
<b>Held to maturity</b>							
National Treasury Notes - "NTN - B"	-	-	-	170,418	18,166	146,959	335,543
National Treasury Bills - "LTN"	-	249,939	-	-	175,363	-	425,302
National Treasury Bills - "NTN - F"	-	-	-	-	592,172	1,246,233	1,838,405
<b>Subtotal - Held to maturity</b>	<b>-</b>	<b>249,939</b>	<b>-</b>	<b>170,418</b>	<b>785,701</b>	<b>1,393,192</b>	<b>2,599,250</b>
<b>Total - December 2023</b>	<b>421,715</b>	<b>1,304,795</b>	<b>1,542,898</b>	<b>4,695,133</b>	<b>5,520,757</b>	<b>5,605,506</b>	<b>19,089,734</b>
<b>Total - December 2022</b>	<b>242,676</b>	<b>1,804,741</b>	<b>1,512,673</b>	<b>1,496,845</b>	<b>4,079,841</b>	<b>4,537,718</b>	<b>13,674,494</b>

The Bank has securities linked as guarantees of its operations as follows:

Operation type	Linked securities	Bank and Consolidated	
		Market Value	
		December 2023	December 2022
Derivatives - B3 S.A - Brasil, Bolsa, Balcão e CBLC	LTN / LFT	454,774	261,659
Exchange - B3 S.A - Brasil, Bolsa, Balcão	LTN / LFT	321,070	171,610
Agribusiness credit bills funding	Rural product bills	3,432,114	2,180,400
<b>Total</b>		<b>4,207,958</b>	<b>2,613,669</b>



## **Banco ABC Brasil S.A.**

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### b) Derivative financial instruments

The Bank carries out transactions with derivative financial instruments on demand of its clients or primarily aimed at protecting market price variations and dilution of currency risks and interest rates of its assets and liabilities and cash flows contracted by compatible terms, rates and amounts.

Derivatives are used as a risk transfer tool aimed to cover Banking Book and Trading Book portfolio positions. In addition, highly liquid derivatives traded on stock exchanges are used, within strict limits and with regular review, in order to manage Trading Book portfolio exposures.

The market values of these derivative financial instruments are determined based on quotations disclosed by specialized stock exchanges and, in certain cases, when there is no liquidity or market quotation, estimates of present values and other pricing techniques are used.

The bases adopted for determining market prices are as follows:

- Futures: stock exchange quotations;
- Options: determined based on the criteria set forth in the contracts, calculated according to known models used by the market;
- Swaps: cash flows for each contract are discounted to present value, in accordance with the respective interest rate curves, obtained based on B3 S.A. - Brasil, Bolsa, Balcão prices adjusted to the credit risk of the counterparties; and
- Forward: the future value of the transaction discounted to present value as rates obtained at B3 S.A. - Brasil, Bolsa, Balcão grants or reference stock exchange market adjusted to the credit risk of the counterparties.

The differentials and adjustments to derivative financial instruments are recorded in the respective balance sheet accounts, and atched against the result of operations. They are adjusted to market value and the notional value of financial instruments are recorded in memorandum accounts, as follows:

## Banco ABC Brasil S.A.

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	Bank					
	December de 2023			December de 2022		
	Notional value	Cost - receivable / (payable)	Marked to market adjustment	Market Value	Notional value	Market Value
<b>Future contracts</b>	<b>22,557,538</b>	-	-	-	<b>8,704,666</b>	-
<b>Purchase commitments</b>	<b>10,074,835</b>	-	-	-	<b>5,464,673</b>	-
Interbank market	8,457,661	-	-	-	4,881,551	-
Foreign currency	29,214	-	-	-	528,760	-
Others	1,587,960	-	-	-	54,362	-
<b>Sales commitments</b>	<b>12,482,703</b>	-	-	-	<b>3,239,993</b>	-
Interbank market	10,452,281	-	-	-	3,200,258	-
Foreign currency	1,993,405	-	-	-	-	-
Others	37,017	-	-	-	39,735	-
<b>Asset position</b>	<b>39,736,925</b>	<b>2,152,966</b>	<b>(12,535)</b>	<b>2,140,431</b>	<b>27,268,722</b>	<b>1,680,988</b>
<b>Swap contracts</b>	<b>12,698,574</b>	<b>215,337</b>	<b>62,734</b>	<b>278,071</b>	<b>5,547,070</b>	<b>262,915</b>
Interbank market	5,783,459	181,991	8,499	190,490	4,432,488	227,977
Foreign currency	492,529	96	10,896	10,992	518,505	16,048
Fixed rates	6,366,926	18,967	46,099	65,066	545,667	13,459
Others	55,660	14,283	(2,760)	11,523	50,410	5,431
<b>Options contracts</b>	<b>21,302,102</b>	<b>1,549,040</b>	<b>(123,357)</b>	<b>1,425,683</b>	<b>13,050,522</b>	<b>967,053</b>
<b>Purchase commitments</b>	<b>10,369,108</b>	<b>620,763</b>	<b>(307,050)</b>	<b>313,713</b>	<b>6,362,673</b>	<b>285,380</b>
Foreign currency	10,108,414	706,275	(450,359)	255,916	6,334,902	281,507
Others financial assets	260,694	(85,512)	143,309	57,797	27,771	3,873
<b>Sale commitment</b>	<b>10,932,994</b>	<b>928,277</b>	<b>183,693</b>	<b>1,111,970</b>	<b>6,687,849</b>	<b>681,673</b>
Foreign currency	10,766,218	955,745	142,161	1,097,906	6,600,917	677,173
Others financial assets	166,776	(27,468)	41,532	14,064	86,932	4,500
<b>Other financial instruments</b>	<b>5,736,249</b>	<b>388,589</b>	<b>48,088</b>	<b>436,677</b>	<b>8,671,130</b>	<b>451,020</b>
Foreign currency	3,529,565	53,212	69,217	122,429	5,806,434	102,759
Others financial assets	2,066,632	195,325	(26,946)	168,379	2,864,696	348,261
Shares	140,052	140,052	5,817	145,869	-	-

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	December de 2023				December de 2022	
	Notional value	Cost - receivable / (payable)	Marked to market adjustment	Market Value	Notional value	Market Value
<b>Liability position</b>	<b>36,989,465</b>	<b>(1,290,231)</b>	<b>(569,010)</b>	<b>(1,859,241)</b>	<b>27,708,217</b>	<b>(1,459,819)</b>
<b>Swap contracts</b>	<b>5,547,258</b>	<b>(236,424)</b>	<b>(52,839)</b>	<b>(289,263)</b>	<b>3,518,971</b>	<b>(130,357)</b>
Interbank market	1,574,726	(59,021)	(10,553)	(69,574)	1,982,113	(66,317)
Foreign currency	74,084	(3,707)	242	(3,465)	957,127	(41,368)
Fixed rates	2,456,925	(39,098)	(36,626)	(75,724)	489,922	(11,898)
Others	1,441,523	(134,598)	(5,902)	(140,500)	89,809	(10,774)
<b>Options contracts</b>	<b>25,995,978</b>	<b>(1,014,317)</b>	<b>(133,292)</b>	<b>(1,147,609)</b>	<b>17,827,779</b>	<b>(866,166)</b>
<b>Purchase commitments</b>	<b>15,457,648</b>	<b>(391,966)</b>	<b>135,792</b>	<b>(256,174)</b>	<b>11,548,487</b>	<b>(286,132)</b>
Foreign currency	15,410,415	(388,222)	133,473	(254,749)	11,415,996	(284,316)
Others financial assets	47,233	(3,744)	2,319	(1,425)	132,491	(1,816)
<b>Sales commitments</b>	<b>10,538,330</b>	<b>(622,351)</b>	<b>(269,084)</b>	<b>(891,435)</b>	<b>6,279,292</b>	<b>(580,034)</b>
Foreign currency	10,323,703	(539,120)	(298,263)	(837,383)	6,130,532	(535,704)
Others financial assets	214,627	(83,231)	29,179	(54,052)	148,760	(44,330)
<b>Other financial instruments</b>	<b>5,446,229</b>	<b>(39,490)</b>	<b>(382,879)</b>	<b>(422,369)</b>	<b>6,361,467</b>	<b>(463,296)</b>
Interbank market	91,047	(21,793)	2,829	(18,964)	-	-
Foreign currency	3,788,388	(93,149)	(102,583)	(195,732)	5,219,645	(377,297)
Others financial assets	1,566,794	(64,600)	(3,021)	(67,621)	1,141,822	(85,999)
Shares	-	140,052	(280,104)	(140,052)	-	-

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	Consolidated					
	December de 2023				December de 2022	
	Notional value	Cost - receivable / (payable)	Marked to market adjustment	Market Value	Notional value	Market Value
<b>Future contracts</b>	<b>22,557,539</b>	-	-	-	<b>8,704,666</b>	-
<b>Purchase commitments</b>	<b>10,074,836</b>	-	-	-	<b>5,464,673</b>	-
Interbank market	8,457,662	-	-	-	4,881,551	-
Foreign currency	29,214	-	-	-	528,760	-
Others	1,587,960	-	-	-	54,362	-
<b>Sales commitments</b>	<b>12,482,703</b>	-	-	-	<b>3,239,993</b>	-
Interbank market	10,452,281	-	-	-	3,200,258	-
Foreign currency	1,993,405	-	-	-	-	-
Others	37,017	-	-	-	39,735	-
<b>Asset position</b>	<b>41,727,252</b>	<b>2,153,059</b>	<b>693,045</b>	<b>2,846,104</b>	<b>28,447,335</b>	<b>2,284,559</b>
<b>Swap contracts</b>	<b>12,698,574</b>	<b>215,338</b>	<b>62,734</b>	<b>278,072</b>	<b>5,547,070</b>	<b>262,914</b>
Interbank market	5,783,459	181,992	8,499	190,491	4,432,488	227,977
Foreign currency	492,529	96	10,896	10,992	518,505	16,048
Fixed rates	6,366,926	18,967	46,099	65,066	545,667	13,459
Others	55,660	14,283	(2,760)	11,523	50,410	5,430
<b>Options contracts</b>	<b>21,302,102</b>	<b>1,549,040</b>	<b>(123,357)</b>	<b>1,425,683</b>	<b>13,050,522</b>	<b>967,053</b>
<b>Purchase commitments</b>	<b>10,369,108</b>	<b>620,763</b>	<b>(307,050)</b>	<b>313,713</b>	<b>6,362,673</b>	<b>285,380</b>
Foreign currency	10,108,414	706,275	(450,359)	255,916	6,334,902	281,507
Others financial assets	260,694	(85,512)	143,309	57,797	27,771	3,873
<b>Sale commitment</b>	<b>10,932,994</b>	<b>928,277</b>	<b>183,693</b>	<b>1,111,970</b>	<b>6,687,849</b>	<b>681,673</b>
Foreign currency	10,766,218	955,745	142,161	1,097,906	6,600,917	677,173
Others financial assets	166,776	(27,468)	41,532	14,064	86,932	4,500
<b>Other financial instruments</b>	<b>7,726,576</b>	<b>388,681</b>	<b>753,668</b>	<b>1,142,349</b>	<b>9,849,743</b>	<b>1,054,592</b>
Foreign currency	5,519,892	53,304	774,797	828,101	5,786,424	102,371
Others financial assets	2,066,632	195,325	(26,946)	168,379	4,063,319	952,221
Shares	140,052	140,052	5,817	145,869	-	-

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	Consolidated					
	December de 2023				December de 2022	
	Notional value	Cost - receivable / (payable)	Marked to market adjustment	Market Value	Notional value	Market Value
<b>Liability position</b>	<b>38,491,676</b>	<b>(1,288,329)</b>	<b>(189,317)</b>	<b>(2,353,893)</b>	<b>28,731,316</b>	<b>(1,958,193)</b>
<b>Swap contracts</b>	<b>5,547,258</b>	<b>(236,420)</b>	<b>(52,839)</b>	<b>(289,259)</b>	<b>3,518,971</b>	<b>(130,356)</b>
Interbank market	1,574,726	(59,017)	(10,553)	(69,570)	1,982,113	(66,317)
Foreign currency	74,084	(3,707)	242	(3,465)	957,127	(41,368)
Fixed rates	2,456,925	(39,098)	(36,626)	(75,724)	489,922	(11,898)
Others	1,441,523	(134,598)	(5,902)	(140,500)	89,809	(10,773)
<b>Options contracts</b>	<b>25,995,978</b>	<b>(1,014,317)</b>	<b>(133,292)</b>	<b>(1,147,609)</b>	<b>17,827,779</b>	<b>(866,166)</b>
<b>Purchase commitments</b>	<b>15,457,648</b>	<b>(391,966)</b>	<b>135,792</b>	<b>(256,174)</b>	<b>11,548,487</b>	<b>(286,132)</b>
Foreign currency	15,410,415	(388,222)	133,473	(254,749)	11,415,996	(284,316)
Others financial assets	47,233	(3,744)	2,319	(1,425)	132,491	(1,816)
<b>Sales commitments</b>	<b>10,538,330</b>	<b>(622,351)</b>	<b>(269,084)</b>	<b>(891,435)</b>	<b>6,279,292</b>	<b>(580,034)</b>
Foreign currency	10,323,703	(539,120)	(298,263)	(837,383)	6,130,532	(535,704)
IDI index	-	-	-	-	-	-
Others financial assets	214,627	(83,231)	29,179	(54,052)	148,760	(44,330)
<b>Other financial instruments</b>	<b>6,948,440</b>	<b>(37,592)</b>	<b>(3,186)</b>	<b>(917,025)</b>	<b>7,384,566</b>	<b>(961,671)</b>
Interbank market	91,047	(21,793)	2,828	(18,965)	-	-
Foreign currency	5,290,599	(91,251)	(5,549)	(690,387)	5,206,207	(377,060)
Others financial assets	1,566,794	(64,600)	(3,021)	(67,621)	2,178,359	(584,611)
Shares	-	140,052	2,556	(140,052)	-	-

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To mitigate the risks of changes in the fair value of the operation to Foreign Onleading's in the amount US\$ 55,6 million (Note 12.b), Management has decided to designate the financial instruments shown below for exchange protection of a portion of the principal amount as well as a portion of the contractual interest (US\$ 66,7 million as of December 31, 2022).

	Bank e Consolidated			
	December 2023			
	Notional Value	Curve Yield	Market Value	MTM
<b>Derivatives designated as fair value hedge instruments</b>				
<b>Hedge instruments</b>				
<b>Swap contracts</b>	<b>208,390</b>	<b>270,151</b>	<b>261,149</b>	<b>(9,002)</b>
<b>Liabilities due to transfers abroad</b>	<b>208,390</b>	<b>270,151</b>	<b>261,149</b>	<b>(9,002)</b>
Foreign currency – US dollar – Assets position	208,390	270,151	261,149	(9,002)
<b>Subject to hedge</b>	<b>270,150</b>	<b>(270,150)</b>	<b>(261,148)</b>	<b>9,002</b>
Liabilities due to transfers abroad (Note 12.b)	270,150	(270,150)	(261,148)	9,002

	Bank e Consolidated			
	December de 2022			
	Notional Value	Curve Yield	Market Value	MTM
<b>Derivatives designated as fair value hedge instruments</b>				
<b>Hedge instruments</b>				
<b>Swap contracts</b>	<b>336,468</b>	<b>359,134</b>	<b>337,893</b>	<b>(21,241)</b>
<b>Liabilities due to transfers abroad</b>	<b>336,468</b>	<b>359,134</b>	<b>337,893</b>	<b>(21,241)</b>
Foreign currency – US dollar – Assets position	336,468	359,134	337,893	(21,241)
<b>Subject to hedge</b>	<b>349,387</b>	<b>(349,387)</b>	<b>(328,146)</b>	<b>21,241</b>
Liabilities due to transfers abroad (Note 12.b)	349,387	(349,387)	(328,146)	21,241

Derivative financial instruments by maturity, as of December 31, 2023 and 2022, are as follows:

	Bank							December 2022
	December 2023							
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total	
<b>Off Balance Book</b>								
Futures contracts	6,662,932	5,997,782	2,864,701	2,834,889	2,241,092	1,956,142	22,557,538	8,704,666
Option contracts	444,170	524,088	4,043,296	33,762,084	7,760,486	763,956	47,298,080	30,878,301
Swap contracts	3,180,858	1,798,616	1,706,053	3,209,904	4,480,999	3,869,402	18,245,832	9,066,041
Other financial instruments	3,805,264	3,334,394	2,301,931	1,180,971	535,244	24,674	11,182,478	15,032,597
<b>Total - December 2023</b>	<b>14,093,224</b>	<b>11,654,880</b>	<b>10,915,981</b>	<b>40,987,848</b>	<b>15,017,821</b>	<b>6,614,174</b>	<b>99,283,928</b>	-
<b>Total - December 2022</b>	<b>4,115,960</b>	<b>6,680,214</b>	<b>3,898,208</b>	<b>28,500,832</b>	<b>13,427,468</b>	<b>7,058,923</b>	-	<b>63,681,605</b>
<b>Asset position</b>								
Option contracts	31,978	14,157	15,866	1,081,541	254,709	27,432	1,425,683	967,053
Swap contracts	16,866	30,374	45,190	46,113	109,221	30,307	278,071	262,915
Other financial instruments	218,102	106,604	64,767	31,694	15,487	23	436,677	451,020
<b>Total - December 2023</b>	<b>266,946</b>	<b>151,135</b>	<b>125,823</b>	<b>1,159,348</b>	<b>379,417</b>	<b>57,762</b>	<b>2,140,431</b>	-
<b>Total - December 2022</b>	<b>64,631</b>	<b>230,539</b>	<b>102,161</b>	<b>815,725</b>	<b>393,588</b>	<b>74,344</b>	-	<b>1,680,988</b>
<b>Liability position</b>								
Option contracts	(4,727)	(5,919)	(12,654)	(855,513)	(241,362)	(27,434)	(1,147,609)	(866,166)
Swap contracts	(12,384)	(8,520)	(4,255)	(79,622)	(41,903)	(142,579)	(289,263)	(130,357)
Other financial instruments	(198,218)	(92,212)	(59,205)	(46,918)	(24,094)	(1,722)	(422,369)	(463,296)
<b>Total - December 2023</b>	<b>(215,329)</b>	<b>(106,651)</b>	<b>(76,114)</b>	<b>(982,053)</b>	<b>(307,359)</b>	<b>(171,735)</b>	<b>(1,859,241)</b>	-
<b>Total - December 2022</b>	<b>(144,311)</b>	<b>(118,994)</b>	<b>(92,920)</b>	<b>(714,721)</b>	<b>(360,866)</b>	<b>(28,007)</b>	-	<b>(1,459,819)</b>

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	Consolidated							December 2022
	December 2023							
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total	Total
<b>Off Balance Book</b>								
Futures contracts	6,662,932	5,997,782	2,864,701	2,834,889	2,241,092	1,956,143	22,557,539	8,704,666
Option contracts	444,170	524,088	4,043,296	33,762,084	7,760,486	763,956	47,298,080	30,878,301
Swap contracts	3,180,858	1,798,616	1,706,053	3,209,904	4,480,999	3,869,402	18,245,832	9,066,041
Other financial instruments	3,965,014	3,644,008	2,753,151	2,170,408	1,985,590	<b>156,845</b>	14,675,016	17,234,309
<b>Total - December 2023</b>	<b>14,252,974</b>	<b>11,964,494</b>	<b>11,367,201</b>	<b>41,977,285</b>	<b>16,468,167</b>	<b>6,746,346</b>	<b>102,776,467</b>	-
<b>Total - December 2022</b>	<b>4,225,632</b>	<b>6,883,689</b>	<b>4,184,797</b>	<b>29,136,463</b>	<b>14,387,821</b>	<b>7,064,915</b>	-	<b>65,883,317</b>
<b>Asset position</b>								
Option contracts	31,978	14,157	15,866	1,081,541	254,709	27,432	1,425,683	967,053
Swap contracts	16,866	30,374	45,190	46,113	109,221	30,308	278,072	262,914
Other financial instruments	262,241	194,752	190,705	231,815	240,014	22,822	1,142,349	1,054,592
<b>Total - December 2023</b>	<b>311,085</b>	<b>239,283</b>	<b>251,761</b>	<b>1,359,469</b>	<b>603,944</b>	<b>80,562</b>	<b>2,846,104</b>	-
<b>Total - December 2022</b>	<b>99,492</b>	<b>295,519</b>	<b>196,881</b>	<b>1,005,174</b>	<b>612,105</b>	<b>75,388</b>	-	<b>2,284,559</b>
<b>Liability position</b>								
Option contracts	(4,727)	(5,919)	(12,654)	(855,513)	(241,362)	(27,434)	(1,147,609)	(866,166)
Swap contracts	(12,384)	(8,520)	(4,255)	(79,622)	(41,903)	(142,575)	(289,259)	(130,356)
Other financial instruments	(226,088)	(148,725)	(148,324)	(202,209)	(167,459)	(24,220)	(917,025)	(961,671)
<b>Total - December 2023</b>	<b>(243,199)</b>	<b>(163,164)</b>	<b>(165,233)</b>	<b>(1,137,344)</b>	<b>(450,724)</b>	<b>(194,229)</b>	<b>(2,353,893)</b>	-
<b>Total - December 2022</b>	<b>(174,139)</b>	<b>(174,923)</b>	<b>(174,416)</b>	<b>(877,383)</b>	<b>(529,005)</b>	<b>(28,327)</b>	-	<b>(1,958,193)</b>

The composition of the portfolio as of December 31, 2023 and 2022, considering the hierarchical levels of fair value measurement are shown as follows:

	Bank				Consolidated			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Asset Position</b>								
December 2023	1,377,361	760,007	3,063	<b>2,140,431</b>	1,377,361	1,465,680	3,063	<b>2,846,104</b>
December 2022	992,912	688,076	-	<b>1,680,988</b>	992,912	1,291,647	-	<b>2,284,559</b>
<b>Liabilities Position</b>								
December 2023	1,134,301	718,755	6,185	<b>1,859,241</b>	1,134,301	1,213,407	6,185	<b>2,353,893</b>
December 2022	1,104,535	355,284	-	<b>1,459,819</b>	1,104,635	853,558	-	<b>1,958,193</b>

Gains (losses) on derivative financial instruments for the years and semesters ended December 31, 2023 and 2022 are as follows:

	Bank							
	2nd Semester 2023			Accumulated 2023			2nd Semester 2022	Accumulated 2022
	Gains	Losses	Net (1)	Gains	Losses	Net (1)	Net (1)	Net (1)
Swaps	770,703	(621,167)	149,536	1,893,676	(1,700,628)	193,048	238,678	515,061
Futures	6,327,703	(6,464,334)	(136,631)	12,645,116	(12,966,485)	(321,369)	32,107	(937,837)
Options	10,308,791	(10,232,101)	76,690	17,916,513	(17,767,173)	149,340	1,181	41,245
Other financial instruments	857,771	(664,252)	193,519	1,316,022	(1,199,843)	116,179	(85,621)	437,140
<b>Total</b>	<b>18,264,968</b>	<b>(17,981,854)</b>	<b>283,114</b>	<b>33,771,327</b>	<b>(33,634,129)</b>	<b>137,198</b>	<b>186,345</b>	<b>55,609</b>

1) In the income statement, it is presented in a net form of income and expenses,

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	Consolidated						2nd Semester 2022 Net (1)	Accumulated 2022 Net (1)
	2nd Semester 2023			Accumulated 2023				
	Gains	Losses	Net (1)	Gains	Losses	Net (1)		
Swaps	770,703	(622,503)	148,200	1,893,676	(1,701,964)	191,712	238,678	515,061
Futures	6,327,703	(6,464,334)	(136,631)	12,645,116	(12,966,485)	(321,369)	32,107	(937,837)
Options	10,308,791	(10,232,101)	76,690	17,916,513	(17,767,173)	149,340	1,181	41,245
Other financial instruments	1,452,350	(1,163,886)	288,464	2,312,186	(2,033,147)	279,039	(38,276)	514,117
<b>Total</b>	<b>18,859,547</b>	<b>(18,482,824)</b>	<b>376,723</b>	<b>34,767,491</b>	<b>(34,468,769)</b>	<b>298,722</b>	<b>233,690</b>	<b>132,586</b>

1) In the income statement, it is presented in a net form of income and expenses,

### Risk sensitivity analysis in financial instrument operations

In accordance with CVM Rule No, 475/08, the Bank discloses a sensitivity analysis to all types of market risk stemming from financial instruments considered significant by management. The table below sets out the most probable scenario in management's assessment and two additional scenarios. The probable scenario considers contractual prices and, where applicable, indicators from various external sources or pricing models adopted to calculate the fair value of financial instruments at the balance sheet date. Scenario II considers a 25% deterioration in risk variables in view of the nature of financial instrument risk, Scenario III considers a 50% deterioration in the same variables.

	Exposure		
	Probable Scenario	Scenario II	Scenario III
<b>i) Interest rate</b>			
Net exposure to fixed interest rates (RWAjur1)	37,295	59,535	81,774
Net exposure of currency coupons (RWAjur2)	60,014	61,918	63,823
Net exposure of index coupons (RWAjur3)	121,053	124,377	127,701
<b>Total interest rate exposure (Note 25)</b>	<b>218,362</b>	<b>245,830</b>	<b>273,298</b>
<b>ii) Foreign exchange rate</b>			
Total exposure purchased at exchange rates (Note 25)	22,066	46,972	71,870
	<b>22,066</b>	<b>46,972</b>	<b>71,870</b>
<b>iii) Index, shares and commodities</b>			
Total exposure to index, shares and commodities (Note 25)	116,685	118,281	119,877
	<b>116,685</b>	<b>118,281</b>	<b>119,877</b>

#### i) Interest rates:

According to criteria established by the Central Bank of Brazil through Resolution CMN No, 4,557/17 and Circular No, 3,354/07 financial instruments classified under trading books represent exposure that would have an impact on the organization's income by mark to market or when realized or settled. Financial instruments indexed to interest rates pose potential risk from market fluctuations. These risks are managed through a methodology set out by the Central Bank of Brazil and the result of this analysis is considered when determining the minimum regulatory capital required of financial institutions.

In order to comply with CVM Rule No, 475/08, regarding risk sensitivity, it was utilized, in the scenario analysis required in this regulation, the amount of the minimum capital requirement for interest rate exposure as of December 31, 2023.



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### ii) Foreign exchange rate:

The net exposure of exchange rates is regulated by the Central Bank of Brazil through CMN Resolution No. 4,958/21, CMN Resolution No. 4,956/21 and Circular No. 3,641/13. Such regulations determine 30% of the reference equity as the maximum limit for such exposures.

The exposure calculation criteria determined by the Central Bank of Brazil were considered and, in compliance with the requirements of CVM Instruction No. 475/08, the analysis of scenarios from the net exposure existing on December 31,, 2023 was performed.

### iii) Banking Book:

These refer to operations that are not classified in the trading book, resulting from Bank business lines and their possible hedge instruments, Measurement and valuation of interest rate risk of banking book operations are regulated by the Central Bank of Brazil through BCB Resolution No, 48/20 that sets criteria and assumptions to gauge the degree of risk including stress tests whose results could indicate how much regulatory capital is required to cover such risks.

Results of these procedures have no relevance on accounting practices regarding the recording and valuation of banking book operations are reported to the Central Bank of Brazil and at December 31,, 2023 an exposure of R\$ 240,772 (R\$ 118,830 December 31, 2022), which also takes into account interest rate risk of the aforementioned banking book in alternative scenarios according to methodologies set out by the regulatory body.

In order to carry out a risk sensitivity analysis, foreign exchange mismatch risk in the banking book is considered in the foreign exchange rate position as set out in item II.

## 6. Lons operations, guarantees and responsibilities

The amounts of loans and financial guarantees provided are as follows:

### Loans portfolio by modality:

	Bank		Consolidated	
	December 2023	December 2022	December 2023	December 2022
<b>Loans</b>				
Loans	9,970,477	10,951,936	9,986,417	10,971,055
Financing	7,361,506	8,799,709	7,361,506	8,799,709
Financing - Rural and agribusiness	2,466,783	1,515,245	2,466,783	1,515,245
Advances on export contracts and interest	1,159,486	1,292,706	1,159,486	1,292,706
Notes and loans receivable	2,948,265	2,854,497	2,948,265	2,854,497
<b>Total - Loans</b>	<b>23,906,517</b>	<b>25,414,093</b>	<b>23,922,457</b>	<b>25,433,212</b>
<b>Financial guarantees and responsibilities (recorded in memorandum accounts)</b>				
Guarantees given to customers	10,893,139	11,172,678	10,893,139	11,153,124
Import credit facilities	435,249	306,997	435,249	306,997
<b>Total - Financial guarantees and responsibilities</b>	<b>11,328,388</b>	<b>11,479,675</b>	<b>11,328,388</b>	<b>11,460,121</b>
<b>Total</b>	<b>35,234,905</b>	<b>36,893,768</b>	<b>35,250,845</b>	<b>36,893,333</b>

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## Loans portfolio by sector activity:

	Bank					
	December 2023			December 2022		
	Loans	Guarantees and responsibilities	Total	Loans	Guarantees and responsibilities	Total
<b>Private Sector</b>						
Financial intermediaries	284,871	1,835,570	2,120,441	432,185	1,961,948	2,394,133
Industry	6,485,696	2,050,695	8,536,391	7,018,927	2,557,359	9,576,286
Commercial	6,598,098	1,060,416	7,658,514	6,127,138	957,461	7,084,599
Services	9,802,085	5,718,653	15,520,738	11,095,023	5,399,501	16,494,524
Individuals	386,065	79,929	465,994	421,072	76,839	497,911
<b>Total - Private sector</b>	<b>23,556,815</b>	<b>10,745,263</b>	<b>34,302,078</b>	<b>25,094,345</b>	<b>10,953,108</b>	<b>36,047,453</b>
<b>Public Sector</b>	<b>349,702</b>	<b>583,125</b>	<b>932,827</b>	<b>319,748</b>	<b>526,567</b>	<b>846,315</b>
<b>Total</b>	<b>23,906,517</b>	<b>11,328,388</b>	<b>35,234,905</b>	<b>25,414,093</b>	<b>11,479,675</b>	<b>36,893,768</b>

	Consolidated					
	December 2023			December 2022		
	Loans	Guarantees and responsibilities	Total	Loans	Guarantees and responsibilities	Total
<b>Private Sector</b>						
Financial intermediaries	284,871	1,835,570	2,120,441	432,185	1,961,948	2,394,133
Industry	6,485,696	2,050,695	8,536,391	7,018,927	2,557,359	9,576,286
Commercial	6,598,098	1,060,416	7,658,514	6,127,138	937,907	7,065,045
Services	9,802,085	5,718,653	15,520,738	11,095,023	5,399,501	16,494,524
Individuals	402,005	79,929	481,934	440,191	76,839	517,030
<b>Total - Private sector</b>	<b>23,572,755</b>	<b>10,745,263</b>	<b>34,318,018</b>	<b>25,113,464</b>	<b>10,933,554</b>	<b>36,047,018</b>
<b>Public Sector</b>	<b>349,702</b>	<b>583,125</b>	<b>932,827</b>	<b>319,748</b>	<b>526,567</b>	<b>846,315</b>
<b>Total</b>	<b>23,922,457</b>	<b>11,328,388</b>	<b>35,250,845</b>	<b>25,433,212</b>	<b>11,460,121</b>	<b>36,893,333</b>

Loans, financial guarantees and responsibilities, by maturity, are as follows:

	Bank							Total
	December 2023							
	Maturities							
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Overdue after 15 days	
Loans	3,148,767	3,465,082	3,980,700	5,599,638	6,194,817	879,353	638,160	23,906,517
Financial guarantees and responsibilities	1,379,113	1,955,760	1,559,619	2,091,343	2,987,310	1,355,243	-	11,328,388
<b>Total – December 2023</b>	<b>4,527,880</b>	<b>5,420,842</b>	<b>5,540,319</b>	<b>7,690,981</b>	<b>9,182,127</b>	<b>2,234,596</b>	<b>638,160</b>	<b>35,234,905</b>
<b>Total - December 2022</b>	<b>3,659,359</b>	<b>6,701,376</b>	<b>6,049,413</b>	<b>8,862,194</b>	<b>9,993,589</b>	<b>1,516,889</b>	<b>110,948</b>	<b>36,893,768</b>
	Consolidated							Total
	December 2023							
	Maturities							
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Overdue after 15 days	
Loans	3,164,708	3,465,082	3,980,700	5,599,638	6,194,817	879,353	638,160	23,922,458
Financial guarantees and responsibilities	1,379,113	1,955,760	1,559,619	2,091,343	2,987,310	1,355,243	-	11,328,388
<b>Total – December 2023</b>	<b>4,543,821</b>	<b>5,420,842</b>	<b>5,540,319</b>	<b>7,690,981</b>	<b>9,182,127</b>	<b>2,234,596</b>	<b>638,160</b>	<b>35,250,846</b>
<b>Total - December 2022</b>	<b>3,659,359</b>	<b>6,681,822</b>	<b>6,049,413</b>	<b>8,862,194</b>	<b>10,012,708</b>	<b>1,516,889</b>	<b>110,948</b>	<b>36,893,333</b>

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During the year ended December 31, 2023, in the Bank and Consolidated, assignments were made with substantial transfer of risks and benefits, in accordance with CMN Resolution 3,533/08, in the amount of R\$ 29,293 (R\$ 160,646 at December 31, 2022), the effect of these operations on the income, net of any results of provision, was gain on year ended December 31, 2023 of R\$ 15,345 (R\$ 2,236 of gain at December 31, 2022).

Credit risk concentration are as follows:

	Bank and Consolidated			
	December 2023		December 2022	
	Balance	% of portfolio (1)	Balance	% of portfolio (1)
Main debtor	537,567	1,53	823,606	2,23
10 main debtors	3,667,282	10,41	4,633,143	12,56
20 main debtors	6,465,231	18,35	7,035,583	19,07

(1) Total portfolio includes the balances of financial guarantees and responsibilities into consideration.

## 7. Provision for expected losses associated with credit risk

The portfolios of loans operations and the provision for expected losses associated with credit risk, as of December 31, 2023 and 2022, are as follows:

Risk rating	Bank					
	December 2023			December 2022		
	Normal course	Total operations	Allowance	Operations	Allowance	Res, 2682
		Past due	Total	Res, 2682	Total	Res, 2682
AA	13,353,318	-	13,353,318	21,079	6,810,251	2,934
A	4,996,271	-	4,996,271	31,320	6,735,064	34,174
B	3,217,278	1,737	3,219,015	51,520	7,811,641	78,116
C	890,434	2,131	892,565	33,072	2,789,964	91,602
D	390,458	26,851	417,309	49,356	382,434	38,749
E	75,837	59,021	134,858	41,599	519,324	155,798
F	192,959	21,763	214,722	107,361	112,682	56,341
G	83,770	428,179	511,949	358,364	87,813	61,469
H	68,032	98,478	166,510	166,510	164,920	164,920
Additional provision (*)	-	-	-	-	-	9,500
<b>Total</b>	<b>23,268,357</b>	<b>638,160</b>	<b>23,906,517</b>	<b>860,181</b>	<b>25,414,093</b>	<b>693,603</b>

(\*) Refers to the anti-cyclical provision in addition to the minimum required in Resolution No. 2,682 / 99.

Risk rating	Consolidated					
	December 2023			December 2022		
	Normal course	Total operations	Allowance	Operations	Allowance	Res, 2682
		Past due	Total	Res, 2682	Total	Res, 2682
AA	13,369,258	-	13,369,258	21,079	6,829,370	2,934
A	4,996,271	-	4,996,271	31,320	6,735,064	34,174
B	3,217,278	1,737	3,219,015	51,520	7,811,641	78,116
C	890,434	2,131	892,565	33,072	2,789,964	91,602
D	390,458	26,851	417,309	49,356	382,434	38,749
E	75,837	59,021	134,858	41,599	519,324	155,798
F	192,959	21,763	214,722	107,361	112,682	56,341
G	83,770	428,179	511,949	358,364	87,813	61,469
H	68,032	98,478	166,510	166,510	164,920	164,920
Additional provision (*)	-	-	-	-	-	9,500
<b>Total</b>	<b>23,284,297</b>	<b>638,160</b>	<b>23,922,457</b>	<b>860,181</b>	<b>25,433,212</b>	<b>693,603</b>

(\*) Refers to the anti-cyclical provision in addition to the minimum required in Resolution No. 2,682 / 99.

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Changes in the allowance for loan losses and other credit losses for the semester and accumulated ended on December 31, 2023 and 2022 are as follows:

	<b>Bank and Consolidated</b>			
	<b>2nd Semester 2023</b>	<b>Accumulated 2023</b>	<b>2nd Semester 2022</b>	<b>Accumulated 2022</b>
Balances at the beginning of the period	789,760	693,603	554,890	720,379
Constitution / (Reversal)	151,460	325,619	172,143	230,416
Exchange rate variation	(104)	(1,908)	(1)	(1,577)
Loans written off as losses	(80,935)	(143,185)	(31,865)	(254,051)
Write-offs by credit assignment	-	(13,948)	(1,564)	(1,564)
<b>Balances at the end of the period</b>	<b>860,181</b>	<b>860,181</b>	<b>693,603</b>	<b>693,603</b>

The balances of the provision for financial guarantees provided by risk levels are shown as follows:

Risks rating	<b>December 2023</b>		<b>December 2022</b>			
	<b>Bank e Consolidated</b>		<b>Bank</b>		<b>Consolidated</b>	
	<b>Amount</b>	<b>Provision</b>	<b>Amount</b>	<b>Provision</b>	<b>Amount</b>	<b>Provision</b>
AA	9,667,273	6,635	7,918,973	4,001	7,899,419	4,001
A	800,906	4,977	1,957,484	10,310	1,957,484	10,310
B	332,423	5,070	1,039,931	10,449	1,039,931	10,449
C	347,326	14,213	454,411	17,101	454,411	17,101
D	174,355	17,435	31,910	3,191	31,910	3,191
E	6,105	1,832	76,966	23,090	76,966	23,090
<b>Total</b>	<b>11,328,388</b>	<b>50,162</b>	<b>11,479,675</b>	<b>68,142</b>	<b>11,460,121</b>	<b>68,142</b>

At December 31, 2023, balance in portfolio of renegotiated loans amounted to R\$ 164,852 (R\$ 108,596 at December 31, 2022), being total loan transactions renegotiated over year ended December 31, 2023 amounted R\$ 93,203 (R\$ 10,810 in the year ended December 31, 2022).

The amount of loans recovered for the year ended December 31, 2023, previously offset against the provision, was R\$ 20,254 (R\$ 11,061 at December 31, 2022).

## 8. Foreign exchange portfolio

The balance of the foreign exchange portfolio is as under:

	<b>Bank and Consolidated</b>	
	<b>December 2023</b>	<b>December 2022</b>
<b>Financial instruments - Asset Position</b>		
Foreign exchange purchased to be settled - CCL	3,193,707	3,720,711
Provision for Exchange variation of CCL	(18)	(584)
Rights on foreign Exchange sales	2,457,274	3,398,535
Advances received	(29,753)	(12,603)
<b>Total</b>	<b>5,621,210</b>	<b>7,106,059</b>
<b>Financial instruments - Liabilities Position</b>		
Foreign exchange sold to settle	2,590,498	3,451,494
Foreign exchange purchase liabilities	3,160,844	3,678,224
<b>Total</b>	<b>5,751,342</b>	<b>7,129,718</b>

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### 9. Other Assets

a) Trading account is substantially represented by receivables from the settlement of operations with financial assets recorded on stock exchanges.

b) The breakdown of other sundry credits are as follows:

	Bank		Consolidated	
	December 2023	December 2022	December 2023	December 2022
Guarantee deposit debtors	16,439	16,883	16,439	16,883
Taxes and contributions to be offset	201,968	172,185	235,580	187,022
Securities and credits receivable	-	-	936,213	351,284
Energy contract advance	-	-	99,363	142,165
Other credits without credit granting characteristics	25,137	584	25,137	584
Other	41,516	28,523	39,876	28,529
<b>Total</b>	<b>285,060</b>	<b>218,175</b>	<b>1,352,608</b>	<b>726,467</b>

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### 10. Investments in holdings in controlled and companies

The balances of direct and indirect subsidiaries of total assets, shareholders' equity and net income for the period ended December 31, 2022 and 2021 are shown below:

	% Participation	December 2023				December 2022			
		Total Assets	Shareholders' Equity	Retained Earnings	Equity	Total Assets	Shareholders' Equity	Retained Earnings	Equity
<b>Direct Subsidiary</b>									
ABC Brasil Distribuidora de Títulos e Valores Mobiliários S.A.	100%	18,851	10,742	9,307	9,307	118,129	113,402	7,021	7,021
ABC Brasil Administração e Participações Ltda.	100%	110,086	101,770	41,392	41,392	156,159	148,196	28,381	28,381
ABC Brasil Comercializadora de Energia Ltda. (1)	100%	1,929,643	810,466	82,697	82,697	1,244,561	527,770	47,119	47,119
ABC IB Holding Ltda. (2)	90,55%	26,048	14,675	14,707	4,675	-	-	-	-
			937,653	148,103	138,071		789,368	82,521	82,521
<b>Indirect Subsidiary</b>									
ABC Brasil Corretora de Seguros Ltda.	90%	38,621	26,011	35,125	31,613	26,565	20,175	24,623	22,162
Leblon Gestora de Crédito Ltda.	100%	4,487	4,257	(743)	(743)	-	-	-	-
Fundo de Investimento em Direito Creditório Não Padronizado ABC I	100%	24,000	23,910	(340)	-	-	-	-	-
ABC M&A e ECM Ltda.	100%	3,676	3,160	160	160	-	-	-	-
ABC DCM Ltda.	100%	25,398	20,408	15,409	15,409	-	-	-	-
ABC Holding Financeira Ltda.	100%	23	22	(28)	(28)	-	-	-	-
			77,768	49,583	46,411		20,175	24,623	22,162

- (1) On March 27, 2023, was approved the capital increase in the subsidiary ABC Brasil Comercializadora de Energia LTDA, in the amount of R\$ 200 million through the issuance of 200,000,000 (two hundred million) new quota, with a par value of R\$ 1.00 (one Real) each, which are fully subscribed and paid, in national currency.
- (2) The company ABC IB Holding, distributed dividends disproportionately.
- (3) On May 17, 2023, was approved the capital increase in the subsidiary ABC Brasil Distribuidora de Títulos e Valores Mobiliarios S.A, in the amount of R\$ 3,764, through capitalization of the legal reserve and subsequent capital reduction in the amount of R\$ 87,279 without cancellation of shares.

### 11. Fixed assets in use and intangible assets

Fixed assets are depreciated using the straight-line method at the following annual rates: installations, furniture, communication and security systems - 10%. Computer equipment, 20%. Such rates represent fairly the economic useful life of assets.

Intangible assets correspond to acquisition and development of computer software and operating systems, amortized under the straight-line method at annual rate of 20%.

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### 12. Funding

a) The compositions of the balances of the borrowings and their maturities are thus demonstrated:

	Bank					December 2022	Consolidated		
	December 2023						December 2022	December 2023	December 2022
	Without maturity	Up to 3 months	3 to 12 months	1 to 3 years	Over 3 years		Total	Total	Total
Deposits	<b>704,384</b>	<b>3,952,780</b>	<b>4,928,159</b>	<b>973,093</b>	<b>665</b>	<b>10,559,081</b>	<b>10,380,568</b>	<b>10,472,468</b>	<b>10,354,303</b>
Demand deposits	704,384	-	-	-	-	704,384	345,157	693,078	343,410
Interbank deposits	-	32,492	487,591	13,213	-	533,296	504,640	533,296	504,640
Time deposits	-	3,920,288	4,440,568	959,880	665	9,321,401	9,530,771	9,246,094	9,506,253
Money market funding	-	<b>1,712,389</b>	-	-	-	<b>1,712,389</b>	<b>1,519,555</b>	<b>1,683,322</b>	<b>1,448,963</b>
Funds from acceptance and issue of securities	-	<b>2,281,694</b>	<b>6,186,560</b>	<b>11,120,522</b>	<b>216,467</b>	<b>19,805,243</b>	<b>17,351,698</b>	<b>19,805,243</b>	<b>17,351,698</b>
Real estate credit bill	-	480,631	478,403	956,715	21,153	1,936,902	1,042,135	1,936,902	1,042,135
Agribusiness credit bills	-	690,505	1,932,787	1,048,876	17,551	3,689,719	5,315,143	3,689,719	5,315,143
Financial bills	-	1,110,415	3,772,607	9,114,931	177,763	14,175,716	10,991,214	14,175,716	10,991,214
Certificates of structured finance	-	143	2,763	-	-	2,906	3,206	2,906	3,206
Borrowings and onleading's	-	<b>4,076,193</b>	<b>4,805,751</b>	<b>791,480</b>	<b>856,520</b>	<b>10,529,944</b>	<b>10,474,740</b>	<b>10,633,277</b>	<b>10,474,740</b>
Foreign Borrowings	-	3,173,831	3,450,820	1,260	21	6,625,932	6,791,528	6,729,265	6,791,528
Onleading's - BNDES	-	20,326	62,113	123,507	147,257	353,203	593,259	353,203	593,259
Onleading's - FINAME	-	702,641	719,927	545,250	126,488	2,094,306	1,120,690	2,094,306	1,120,690
Onleading's – Other institutions	-	72,437	204,486	13,151	-	290,074	319,516	290,074	319,516
Foreign Onleading's (12,b)	-	106,958	368,405	108,312	582,754	1,166,429	1,649,747	1,166,429	1,649,747
Subordinated debts	-	<b>38,003</b>	<b>363,661</b>	<b>644,767</b>	<b>1,470,958</b>	<b>2,517,389</b>	<b>2,247,416</b>	<b>2,517,389</b>	<b>2,247,416</b>
Financial bills	-	38,003	363,661	644,767	968,501	2,014,932	1,742,379	2,014,932	1,742,379
Perpetual Financial Bills	-	-	-	-	502,457	502,457	505,037	502,457	505,037
<b>Total – December 2023</b>	<b>704,384</b>	<b>12,061,059</b>	<b>16,284,131</b>	<b>13,529,862</b>	<b>2,544,610</b>	<b>45,124,046</b>	-	<b>45,111,699</b>	-
<b>Total – December 2022</b>	<b>345,157</b>	<b>12,471,023</b>	<b>15,803,915</b>	<b>10,806,150</b>	<b>2,547,732</b>	-	<b>41,973,977</b>	-	<b>41,877,120</b>

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- b) The compositions of the balance of foreign onleading's at December 31, 2023 and 2022 are composed as follows:

	Bank e Consolidated	
	December 2023	December 2022
<b>Borrowings and onleading's</b>		
<b>Foreign Onleading's subject to "Hedge accounting" – Maturity in November 2028 (5,b)</b>		
Principal amount US\$ 55,6 million (US\$ 66,7 million in December 31, 2022)	269,218	348,181
Accrued interest	932	1,206
<b>Subtotal</b>	<b>270,150</b>	<b>349,387</b>
Adjustment to market value ("Hedge Accounting") - Notes 2, d	(9,002)	(21,241)
<b>Total</b>	<b>261,148</b>	<b>328,146</b>
Other foreign onleading's	905,281	1,321,601
<b>Total</b>	<b>1,166,429</b>	<b>1,649,747</b>

### 13. Provisions

The compositions of provisions December 31, 2023 and 2022 are composed as follows:

	Bank		Consolidated	
	December 2023	December 2022	December 2023	December 2022
Allowance for payments to be settled	230,842	224,852	315,120	329,937
Provision for contingent liabilities (Note 23,d)	22,865	23,117	22,865	23,117
Provision for financial guarantees provided (Note 7)	50,162	68,142	50,162	68,142
<b>Total</b>	<b>303,869</b>	<b>316,111</b>	<b>388,147</b>	<b>421,196</b>

### 14. Other liabilities

- a) Tax and social security balances are as follows:

	Bank		Consolidated	
	December 2023	December 2022	December 2023	December 2022
Income and social contribution taxes on income	52,126	91,137	87,751	106,501
Taxes and contributions payable	122,550	94,946	128,565	95,896
Other deferred taxes	-	-	19,519	10,259
<b>Total</b>	<b>174,676</b>	<b>186,083</b>	<b>235,835</b>	<b>212,656</b>

- b) The balance of other sundry liabilities are as follow:

	Bank		Consolidated	
	December 2023	December 2022	December 2023	December 2022
Collection of taxes	2,123	2,735	2,123	2,735
Discount on acquired credits	10,645	22,079	10,645	22,079
Sundry domestic creditors	12,721	22,619	12,691	22,604
<b>Total</b>	<b>25,489</b>	<b>47,433</b>	<b>25,459</b>	<b>47,418</b>

- c) Trading and intermediation of securities account is substantially represented by amounts payable from the settlement of operations with financial assets recorded on stock exchanges.



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### 15. Income from services rendered

Income from services rendered, for the semesters and years ended December 31, 2023 and 2022, are composed as follows:

	Bank			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
Income from guarantees given to customers	79,748	162,001	83,235	167,463
Fees related to credit operations	4,826	13,571	8,449	13,827
Collection fees	14,409	28,399	13,313	24,534
Bank fees	2,837	4,959	89	566
Income from commissioning and security placement	51,991	83,478	96,737	148,672
Income from other services	7,436	13,991	6,451	12,917
<b>Total</b>	<b>161,247</b>	<b>306,399</b>	<b>208,274</b>	<b>367,979</b>

	Consolidated			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
Income from guarantees given to customers	79,748	162,001	83,235	167,463
Fees related to credit operations	4,826	13,571	8,449	13,827
Collection fees	14,409	28,399	13,313	24,534
Bank fees	2,837	4,959	89	566
Income from commissioning and security placement	88,474	119,961	96,737	148,672
Insurance commission incomes	36,161	58,714	22,701	37,446
Income from other services	4,130	8,132	4,257	9,356
<b>Total</b>	<b>230,585</b>	<b>395,737</b>	<b>228,781</b>	<b>401,864</b>

### 16. Other administrative expenses

Other administrative expenses in the semesters and years ended December 31, 2023 and 2022 are composed as follows:

	Bank				Consolidated			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
Third party services	8,135	15,570	8,834	16,033	8,845	16,724	9,325	17,041
Financial system services	20,733	39,926	18,277	34,935	20,820	40,032	18,295	34,972
Rentals	12,589	24,623	9,861	19,825	12,645	24,679	9,861	19,825
Specialized technical services	18,601	34,367	30,538	52,938	18,706	34,735	30,603	53,115
Data processing	38,319	75,760	31,462	53,590	38,425	75,895	31,477	53,624
Communication	2,633	5,165	2,437	4,738	2,633	5,165	2,437	4,738
Travel expenses	5,286	9,425	4,185	6,671	5,394	9,594	4,207	6,713
Depreciation and amortization	23,460	41,109	16,333	30,949	23,460	41,109	16,333	30,949
Promotions and public relations	12,428	12,752	2,541	3,477	12,453	12,777	2,543	3,479
Publications	6	23	34	65	6	59	37	92
Philanthropic contributions	-	-	238	238	545	545	326	326
Transportation	1,571	3,114	1,379	2,293	1,625	3,193	1,393	2,313
Asset maintenance and conservation	1,093	2,158	962	2,188	1,093	2,158	962	2,188
Water, electricity and gas	727	1,403	553	1,148	727	1,403	553	1,148
Materials	384	577	193	308	384	577	193	308
Insurance	400	868	458	827	400	868	458	827
Advertising and Publicity	717	13,861	8,228	17,803	721	13,865	8,228	17,805
Condominium	2,069	4,168	2,125	3,783	2,069	4,168	2,125	3,783
Legal Fees	56	115	109	244	56	115	109	244
Others	6,922	15,142	5,961	9,290	7,301	15,775	6,190	9,656
<b>Total</b>	<b>156,129</b>	<b>300,126</b>	<b>144,708</b>	<b>261,343</b>	<b>158,308</b>	<b>303,436</b>	<b>145,655</b>	<b>263,146</b>

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### 17. Other operating income

The breakdown of other operating income, for the semesters and years ended December 31, 2023 and 2022 are as follows:

	Bank			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
Reversal of other provision	71,997	55,047	-	-
Reversal of provision for contingencies	918	252	-	-
Interests and monetary correction of assets	147	4,720	841	1,794
Recovery of charges and expenses	370	6,839	1,383	1,679
Other revenues	287	511	236	507
<b>Total</b>	<b>73,719</b>	<b>67,369</b>	<b>2,460</b>	<b>3,980</b>

	Consolidated			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
Reversal of other provision	71,997	55,047	-	-
Reversal of provision for contingencies	918	252	-	-
Interests and monetary correction of assets	284	5,117	1,314	2,365
Recovery of charges and expenses	370	6,839	4,676	4,972
Other revenues	415	641	237	508
<b>Total</b>	<b>73,984</b>	<b>67,896</b>	<b>6,227</b>	<b>7,845</b>

### 18. Other operating expenses

Other operating expenses for the semesters and years ended December 31, 2023 and 2022 are as follows:

	Bank			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
Constitution of other provisions	-	-	6,232	21,267
Constitution of provision for contingencies	-	-	4	1,476
Commission linked to operations	929	1,753	1,424	1,913
Other expenses	2,219	8,626	1,909	5,057
<b>Total</b>	<b>3,148</b>	<b>10,379</b>	<b>9,569</b>	<b>29,713</b>

	Consolidated			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
Constitution of other provisions	-	-	6,232	21,267
Constitution of provision for contingencies	-	-	4	1,476
Commission linked to operations	929	1,770	1,524	2,111
Prepayment provision	1,222	2,575	888	1,045
Disproportionate dividends	635	1,318	2,126	3,688
Other expenses	2,170	8,579	1,923	5,079
<b>Total</b>	<b>4,956</b>	<b>14,242</b>	<b>12,697</b>	<b>34,666</b>

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### 19. Income and social contributions taxes

The nature and origin of deferred tax assets deferred tax liabilities, as well as the changes occurred in the year are stated as follows:

	Bank			
	December 2022	Additions	Write-offs	December 2023
<b>Deferred tax assets</b>				
<b>Temporary differences:</b>	<b>1,039,857</b>	<b>936,384</b>	<b>(741,923)</b>	<b>1,234,318</b>
Provision for expected losses associated with credit risk	453,839	382,106	(321,242)	514,703
Provision for financial guarantees provided to costumers	40,666	902	(13,239)	28,329
Provision for non-financial assets held to maturity	36,959	1,112	(507)	37,564
Adjustment to market value - securities and derivatives	395,260	431,409	(336,957)	489,712
Unrealized gains (losses) on futures market	17,889	24,427	(13,744)	28,572
Others	84,507	66,593	(49,650)	101,450
Adjustment to market value - available for sale securities	10,737	29,835	(6,584)	33,988
<b>Tax loss - Negative CSLL base</b>	<b>-</b>	<b>79,627</b>	<b>(79,627)</b>	<b>-</b>
<b>Total</b>	<b>1,039,857</b>	<b>1,016,011</b>	<b>(821,550)</b>	<b>1,234,318</b>
<b>Deferred tax liabilities</b>				
<b>Temporary differences:</b>				
Adjustments to market value - securities and derivatives	(202,554)	(250,943)	174,954	(278,543)
Unrealized gains (losses) on futures market	(24,813)	(47,710)	22,466	(50,057)
Others	-	(9,403)	-	(9,403)
Adjustment to market value - available for sale securities	(7,999)	(11,962)	7,726	(12,235)
<b>Total</b>	<b>(235,366)</b>	<b>(320,018)</b>	<b>205,146</b>	<b>(350,238)</b>
<b>Net balance</b>	<b>804,491</b>	<b>695,993</b>	<b>(616,404)</b>	<b>884,080</b>
	Consolidated			
	December 2022	Additions	Write-offs	December 2023
<b>Deferred tax assets</b>				
<b>Temporary differences:</b>	<b>1,041,378</b>	<b>938,829</b>	<b>(743,160)</b>	<b>1,237,047</b>
Provision for expected losses associated with credit risk	455,332	382,989	(321,250)	517,071
Provision for financial guarantees provided to costumers	40,666	902	(13,239)	28,329
Provision for non-financial assets held to maturity	36,959	1,112	(507)	37,564
Adjustment to market value - securities and derivatives	395,260	431,409	(336,957)	489,712
Unrealized gains (losses) on futures market	17,889	24,427	(13,744)	28,572
Others	84,507	68,155	(50,850)	101,812
Adjustment to market value - available for sale securities	10,765	29,835	(6,613)	33,987
<b>Tax loss - Negative CSLL base</b>	<b>-</b>	<b>79,627</b>	<b>(79,627)</b>	<b>-</b>
<b>Total</b>	<b>1,041,378</b>	<b>1,018,456</b>	<b>(822,787)</b>	<b>1,237,047</b>
<b>Deferred tax liabilities</b>				
<b>Temporary differences:</b>				
Adjustments to market value - securities and derivatives	(240,259)	(288,990)	185,233	(344,016)
Unrealized gains (losses) on futures market	(24,813)	(47,709)	22,466	(50,056)
Others	-	(9,403)	-	(9,403)
Adjustment to market value - available for sale securities	(7,999)	(11,975)	7,737	(12,237)
<b>Total</b>	<b>(273,071)</b>	<b>(358,077)</b>	<b>215,436</b>	<b>(415,712)</b>
<b>Net balance</b>	<b>768,307</b>	<b>660,379</b>	<b>(607,351)</b>	<b>821,335</b>

The effect at December 31, 2023 in the movement of deferred tax assets and deferred tax liabilities on income was revenue of R\$ 60,573 in the Bank and an expense of R\$ 34,043 in the Consolidated. The effect calculated on shareholders' equity was revenue of R\$ 19,016 on the Bank and R\$ 18,985 on the Consolidated.

The realization of deferred tax assets and liabilities at December 31, 2023 based on the history of profitability and estimated realization are stated as follows:

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Year	Bank 2023			Consolidated
	Assets	Liabilities	Net	Net
2024	1,137,111	(350,238)	786,873	724,128
2025	45,886	-	45,886	45,886
2026	18,442	-	18,442	18,442
2027	16,411	-	16,411	16,411
2028	4,083	-	4,083	4,083
Above 5 years	12,385	-	12,385	12,385
<b>Total</b>	<b>1,234,318</b>	<b>(350,238)</b>	<b>884,080</b>	<b>821,335</b>
<b>Present value - Selic</b>	<b>1,087,828</b>	<b>(313,693)</b>	<b>774,135</b>	<b>717,938</b>

Year	Bank 2022			Consolidated
	Assets	Liabilities	Net	Net
2023	829,084	(235,366)	593,718	557,534
2024	150,000	-	150,000	150,000
2025	35,241	-	35,241	35,241
2026	5,988	-	5,988	5,988
2027	6,014	-	6,014	6,014
Above 5 years	13,530	-	13,530	13,530
<b>Total</b>	<b>1,039,857</b>	<b>(235,366)</b>	<b>804,491</b>	<b>768,307</b>
<b>Present value - Selic</b>	<b>882,783</b>	<b>(207,115)</b>	<b>675,668</b>	<b>643,826</b>

For income tax, the rate used is 15% plus an additional 10% of annual taxable income exceeding R\$ 240 thousand. The social contribution rate is 20% for financial companies and 9% for non-financial companies.

Expenses with income and social contribution taxes for the semesters ended December 31, 2023 and 2022 are calculated as follows:

	Bank			
	2nd Semester 2023	Accumulated 20223	2nd Semester 2022	Accumulated 2022
Income before taxation less profit sharing	400,168	729,716	429,366	874,768
Total income and social contributions taxes	180,075	328,372	193,983	394,414
Net income from write-offs and write-ups of deferred liabilities net of tax credits (temporary differences)	45,716	49,081	43,523	(41,987)
Nontaxable revenues / expenses net of nondeductible expenses	(60,812)	(102,449)	(51,329)	(85,459)
Equity pick up in subsidiaries	(35,286)	(62,132)	(22,271)	(37,135)
Interest on equity capital	(77,544)	(160,722)	(72,746)	(138,672)
Other amounts	(54,454)	(113,443)	(33,691)	(59,030)
<b>Total income and social contribution taxes - current</b>	<b>(2,305)</b>	<b>(61,293)</b>	<b>57,469</b>	<b>32,131</b>
<b>Deferred taxes and contributions</b>	<b>(57,208)</b>	<b>(60,573)</b>	<b>(43,523)</b>	<b>42,403</b>
<b>Total income and social contribution taxes</b>	<b>(59,513)</b>	<b>(121,866)</b>	<b>13,946</b>	<b>74,534</b>

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	Consolidated			
	2nd Semester 2023	Accumulated 2023	2nd Semester 2022	Accumulated 2022
Income before taxation less profit sharing	433,951	791,871	454,565	915,738
Total income and social contributions taxes	233,610	417,040	224,978	445,527
Net income from write-offs and write-ups of deferred liabilities net of tax credits (temporary differences)	23,653	17,667	32,040	(62,347)
Nontaxable revenues / expenses net of nondeductible expenses	(109,539)	(186,015)	(84,310)	(137,604)
Interest on equity capital	(77,544)	(160,722)	(72,746)	(138,672)
Other amounts	(54,602)	(113,638)	(34,023)	(59,409)
<b>Total income and social contribution taxes - current</b>	<b>15,578</b>	<b>(25,668)</b>	<b>65,939</b>	<b>47,495</b>
<b>Deferred taxes and contributions</b>	<b>(41,308)</b>	<b>(34,043)</b>	<b>(26,794)</b>	<b>68,009</b>
<b>Total income and social contribution taxes</b>	<b>(25,730)</b>	<b>(59,711)</b>	<b>39,145</b>	<b>115,504</b>

## 20. Related parties

### a) Subsidiaries and related companies

The amounts below refer to the Bank's transactions with subsidiaries and related companies, These operations were carried out under normal market conditions and rates of the dates of the respective transactions. For the years ended December 31, 2023, transactions between related parties are as follows:

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Transactions / Related parties	Maturity	Remuneration	December 2023		December 2022	
			Assets / (Liabilities)	Income / (Expenses) Period	Assets / (Liabilities)	Income / (Expenses) Period
<b>Cash and cash equivalents</b>						
Arab Banking Corporation - New York (3)	No maturity	Without remuneration	488	-	526	-
ABC International Bank – Milan (3)	No maturity	Without remuneration	9	-	9	-
<b>Loans</b>						
Administrators (3)	01/02/2024	CDI + 3,05% y.y,	15,941	2,562	19,119	1,529
<b>Amounts to receive</b>						
ABC Brasil Com. De Energia Ltda. (2)	No maturity	Without remuneration	208	-	-	-
ABC Brasil Corretora de Seguros Ltda. (2)	No maturity	Without remuneration	1,141	-	-	-
ABC Brasil Adm. e Participações Ltda. (2)	No maturity	Without remuneration	200	-	-	-
ABC IB Holding Ltda (2)	No maturity	Without remuneration	138	-	-	-
ABC DCM Ltda (2)	No maturity	Without remuneration	260	-	-	-
<b>Marketable securities</b>						
Barauna FIM CP Investimento no Exterior (2)	No maturity	N/A	1,126	-	-	-
Fundo de investimento em direitos creditórios NP ABC I.	No maturity	N/A	23,910	-	-	-
ABC Brasil Com, de Energia Ltda, (2)	07/10/2025	CDI	211,981	6,902	-	-
<b>Demand deposits</b>						
ABC Brasil Adm, E Participações Ltda, (2)	No maturity	Without remuneration	(47)	-	(1,104)	-
ABC Brasil DTVM S.A, (2)	No maturity	Without remuneration	(2,152)	-	(643)	-
Marsau Comercial Exp, e Importadora Ltda, (3)	No maturity	Without remuneration	(1,121)	-	(244)	-
ABC ID Holding Ltda (2)	No maturity	Without remuneration	(31)	-	-	-
Leblon Gestora de Crédito Ltda (2)	No maturity	Without remuneration	(20)	-	-	-
ABC Brasil Corretora de Seguros Ltda (2)	No maturity	Without remuneration	(270)	-	-	-
ABC Brasil Com, de Energia Ltda, (2)	No maturity	Without remuneration	(6,953)	-	-	-
ABC M&A e ECM Ltda (2)	No maturity	Without remuneration	(104)	-	-	-
ABC DCM Ltda (2)	No maturity	Without remuneration	(1,707)	-	-	-
ABC Holding Financeira Ltda (2)	No maturity	Without remuneration	(23)	-	-	-
Key members of management (3)	No maturity	Without remuneration	(89)	-	-	-
<b>Time deposits and funds from acceptance and issue of securities</b>						
Marsau Comercial Exp, e Importadora Ltda, (3)	01/31/2024	5,50% y.y,	(48)	-	-	-
Marsau Uruguay Holdings Sociedad Anonima (1)	01/31/2024	5,50% y.y,	(1,199)	(1)	(49)	-
ABC Brasil Corretora de Seguros Ltda, (2)	12/29/2025	CDI	(33,112)	(1,015)	(242)	-
ABC Brasil Com, de Energia Ltda, (2)	12/11/2024	CDI	(42,195)	(1,292)	(23,026)	(952)
Key members of management (3)	(a)	(a)	(21,755)	(1,905)	(1,492)	(34)
					(16,137)	(1,394)
<b>Open market financing</b>						
ABC IB Holding Ltda (2)	01/04/2024	CDI	(2,422)	(10)	-	-
Leblon Gestora de Créditos Ltda (2)	01/08/2024	CDI	(4,451)	(2)	-	-
ABC M&A e ECM Ltda (2)	01/08/2024	CDI	(3,558)	(16)	-	-
ABC DCM Ltda (2)	01/11/2024	CDI	(18,636)	(24)	-	-
<b>Borrowings</b>						
Arab Banking Corporation - New York (3)	01/22/2024	Term Sofr (3m)+1,20%a.a	(98,024)	(1,198)	(209,772)	(1,064)
<b>Derivative financial instruments</b>						
ABC Brasil Com, de Energia Ltda, (2)	06/02/2025	USD	(1,828)	323	151	151
<b>Commission of service provision</b>						
ABC Brasil Corretora de Seguros Ltda, (2)	10/31/2024	N/A	-	5,855	-	3,561

(1) Direct controlling shareholder, (2) Subsidiary, (3) Related party.

- (a) CDB - Rate of 100,00 % up to 110% of CDI - Lowest starting date: 05/30/2022, largest date of maturity: 08/25/2025.  
LCA / LCI - Rate of 91,00 % up to 101,00 of CDI - Lowest starting date: 02/10/2022, largest date of maturity: 10/14/2026.  
LCA / LCI- Fixed interest rate of 6,50% up to 12,54% - Lowest starting date: 08/07/2020, largest date of maturity: 09/25/2025.  
CDB – IPCA of 6,70% - Lowest starting date: 08/18/2023, largest date of maturity: 08/19/2024.  
LCA / LCI - Fixed interest rate of 5,10% up to 6,32% + IPCA - Lowest starting date: 08/20/2021, largest date of maturity: 08/20/2026.  
CDB - Prefixed Rate of 11,32% - Lowest starting date: 09/25/2023, largest date of maturity: 09/20/2024.

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### **b) Fees of key members of management**

In compliance with Resolution CMN No, 3,921/10, Banco ABC Brasil has implemented a Management Remuneration Policy applicable to the members of the Board of Directors, to the Executive Committee and to the Officers with no specific title (employees).

In brief, the policy has as main objectives: (i) complying with the regulations of the National Monetary Council and the Central Bank of Brazil (BACEN), which establish special rules for financial institutions such as Banco ABC; (ii) fixing the remuneration of those considered Managers of Banco ABC in compliance with the regulations referred to in item (i) above and, in particular, of those assuming this position according to the Bank's governance; (iii) aligning the remuneration of the Managers of Banco ABC with the Bank's risk management policy; (iv) avoiding behaviors that would raise risk exposure above the levels considered prudent in the short, medium and long-term strategies adopted by Banco ABC; and (v) creating a tool for attracting and retaining talents in key positions at Banco ABC.

The remuneration defined in the policy takes into account: (i) current and potential risks faced by Banco ABC; (ii) the overall results of Banco ABC, in particular recurring income (net book profit for the period adjusted for unrealized income and ignoring the effects of non-recurring events which are within the control of Banco ABC); (iii) Banco ABC's capacity for generating cash flow; (iv) the economic environment in which Banco ABC operates, and its trends; (v) long-term sustainable financial bases and adjustments to future payments as a result of the risks assumed, changes in the cost of capital and liquidity forecasts; (vi) the individual performance of the Managers based on the target agreement celebrated by each Officer, as provided for in the profit sharing agreement filed at the headquarters of Banco ABC; (vii) the performance of the business unit; and (viii) the relationship between the individual performance of the Managers, the performance of the business unit, the performance of Banco ABC as a whole and the risks assumed.

Variable remuneration shall be calculated as follows:

#### **I - To Officers without specific designation:**

- a) up to 50% of the amount determined as a result of profit sharing participation, calculated in accordance with the negotiation established under the terms of Law No, 10,101/2000, paid in cash immediately upon payment of the PLR.
- b) at least 50% of the amount determined as a result of the the profit sharing participation of Banco ABC, calculated according to the negotiation established under the terms of Law No, 10,101/2000, may be paid in preferred shares of Banco ABC, instruments based on shares or other assets. The payment is deferred in proportion to the three-year deferral period.

#### **II - To the members of the Executive Committee:**

100% of the amount determined for the variable compensation will be paid in shares, share - based instruments or other assets. The payment takes place in two ways:

- (i) 60% of the variable compensation paid in shares, share-based instruments or other assets, will be paid on a deferred basis for a period of six months, being settled after the referred period; and

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- (ii) 40% of the variable compensation paid in shares, share-based instruments or other assets will be paid on a deferred basis, in proportion to the three-year deferral period.

The delivery of shares relating to deferred variable remuneration allocated to managers shall only take place if, in the applicable period of deferment there is no (i) significant reduction in recurring profit realized, or (ii) losses posted by the institution or business unit, or (iii) evidence of errors in accounting and / or management practices that affect the income calculated in the variable remuneration rights acquisition period.

As approved by the Board of Directors at meetings held on September 21, 2021 and February 9, 2022, the Bank implemented the Long-Term Incentive Program for Managers. The LTI consists of programs directed to members of the Executive Committee, Directors, and key professionals of the Company, and includes a variable compensation structure based on a deferred grant of preferred shares, which are linked to ABC Brasil's profitability, minimum periods of permanence of the employee with ABC Brasil, deadlines for effective shares grants, as well as other typical market conditions for eligibility and permanence in this type of program. In the case of the members of the Executive Committee, the LTI also includes the maintenance of a minimum number of preferred shares held by each of its members. The LTI's goal is to further develop and enhance policies for attracting, motivating, and retaining talent, aligning the interests of ABC Brasil's employees with the earnings generation and long-term sustainable value creation. Additionally, the LTI aims at incentivizing the coordinated succession of key positions at ABC Brasil.

The total compensation of key members of management for the years ended December 31, 2023 and 2022 are composed as follows:

	<u>December 2023</u>	<u>December 2022</u>
Fixed remuneration	37,297	27,458
Variable remuneration	20,080	27,001
<b>Total short-term benefits</b>	<b>57,377</b>	<b>54,459</b>
Share-based compensation	113,096	93,800
<b>Total long-term benefits</b>	<b>113,096</b>	<b>93,800</b>
<b>Total</b>	<b>170,473</b>	<b>148,259</b>

### c) Summary of changes in the compensation plan:

To meet the resolution of compensation plan of the Bank was authorized by CVM to privately transfer shares of its own shares held in treasury for its executives.

In according to the compensation plan actions cited in Note 20,b, shares were granted to executives eligible for settlement at the end of the vesting period as shown below:

	<u>December 2023</u>	<u>December 2022</u>
<b>Quantity at the beginning of the year</b>	<b>2,724,020</b>	<b>2,056,854</b>
Shares delivered	2,101,218	1,877,412
Shares granted	(1,344,559)	(1,210,246)
<b>Quantity at end of the year</b>	<b>3,480,679</b>	<b>2,724,020</b>



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### 21. Overseas branch

The transactions with third parties carried out by the overseas branch at December 31, 2023 and 2022 are as follows:

	<u>December 2023</u>	<u>December 2022</u>
<b>Assets</b>		
Cash and banks	578,815	288,663
Interbank investments	119,948	478,080
Marketable securities and derivative financial instruments	198,860	1,606,705
Lending operations - net	2,413,401	3,437,957
Other receivables, amounts and assets	273,633	493,712
<b>Total</b>	<b>3,584,657</b>	<b>6,305,117</b>
<b>Liabilities</b>		
Demand deposits	58	119
Time deposits	427,539	1,193,099
Third-party assets in transit	756	4,908
Foreign borrowings	5,989,194	5,585,546
Derivative financial instruments	82,180	50,923
Other liabilities	127,612	450,952
<b>Total</b>	<b>6,627,339</b>	<b>7,285,547</b>

The balances of assets, liabilities and results are converted according to Note 2) iii

The effects of exchange rate variations resulting from the translation transactions of foreign currency of assets and liabilities were recognized in income statement for the exercise in the positive amount of R\$ 162,106 (R\$ 144,207 positive at December 31, 2022), according to the No, 4,524/16 of the National Monetary Council.

### 22. Profit sharing

An allowance for profit sharing was established based on the Variable Compensation Program set up by Banco ABC Brasil S,A, and its employees, which takes into consideration activities developed by the Bank in various areas, the degree of responsibility, the degree of influence on earnings, as well as qualitative and quantitative targets set with individual Bank employees. In the year ended December 31, 2023, the balance of profit sharing is R\$ 252,763 in the Bank and R\$ 259,491 in the Consolidated (R\$ 248,601 in the Bank and R\$ 250,810 in the Consolidated as of December 31, 2022).

### 23. Assets and liabilities contingents, fiscal and social security obligations

The Bank and its subsidiaries are involved in judicial and administrative proceedings of tax, labor and civil nature, both as plaintiff and claimer, Note 2,IV,f explains the criteria for recognizing and measuring these suits and proceedings.

#### a) Fiscal contingents

The bank is responsible for actions and processes whose losses are being considered with possible prognoses by our directors in the amount of R\$ 552,231 (R\$ 490,217 on December 31, 2022) and have not been provisioned, see below the main lawsuits whose probability of unfavorable outcome was assessed as possible:

## **Banco ABC Brasil S.A.**

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### *Social Security's Charges ("INSS")*

The Bank is currently a defendant in a lawsuit related to payment of pension charges, mainly on profit sharing related to 2006 to 2014 and 2016, 2017 and 2018 exercises, amounting to R\$ 406,466 (R\$ 366,876 on December 31, 2022).

### *IRPJ / CSLL - Deductibility PLR of the Board on the period from 2010 to 2014*

It is collection of income tax and social contribution of PLR on deductibility paid to the board of directors for the period of 2010 to 2014, Awaiting judgment of challenging the tax assessment notice. The amount of requirement is R\$ 94,614 (R\$ 79,962 on December 31, 2022).

### *Tax assessment notice of service tax ("ISS") guarantees provided (guarantees)*

Tax assessment notice on guarantees provided (guarantees) for the period from January to October 2016, with full deposit of the amount and supposedly converted into income by the Municipality, with wrong allocation of the Bank's deposits, in another lawsuit, which resulted in insufficient amounts deposited to cover the triggering events from January to October 2016. After presenting a defense, a decision was issued that upheld the launch, In view of this decision appeals were filed, which were rejected, ending the discussion at the administrative level. A legal action was proposed seeking to cancel the debt, and in the first instance a sentence was handed down deeming the action unfounded, however, after the presentation of an appeal by the Bank, a new decision on the merits (not definitive) was given, fully valid, to recognize the extinguishment of the debt. A legal action will be filed to cancel the debt the amount involved is R\$ 24,852 (R\$ 22,207 as of December 31, 2022).

### *Urban Real Estate Tax on Secured Fiduciary Sale Operations*

The Municipality of São Paulo is charging (four tax foreclosures, being 3 relating to operation realized in periods in which the Bank operate as fiduciary creditor) Urban Real Estate Tax on secured fiduciary sale operations. The Bank presented defense and one of the actions, a favorable decision has already been made to end the tax foreclosure, as for the others, a decision is awaited. The estimated amount of the contingency corresponds to R\$ 10,422 (R\$ 9,143 on December 31, 2022).

### *Income Tax (IRPJ) and Social Contribution Tax (CSLL) related to the deduction of income for the period of 2010 on loans operations*

Collection of income tax and social contribution related deduction of losses on loans operations in result of 2010. The Bank has estimated the losses as effective, however, the Receita Federal considers that occurred anticipation of the deduction period provided for in Law 9,430/96. The value of the requirement amounts to R\$ 6,705 (R\$ 6,281 on December 31, 2022).

### *Exclusion of ISS paid amounts from the PIS and COFINS tax base*

Writ of mandamus presented by the Bank to recover amounts paid related to the inclusion of ISS paid amounts in the tax base of social contributions of PIS and COFINS and prevent future charging. The bank had favorable decisions that allowed the exclusion of ISS from the PIS and COFINS tax base, preventing future collections and allowing the refund of the overpayments of

## Banco ABC Brasil S.A.

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PIS and COFINS in the last five years. Despite the fact this process can be classified as contingent asset, in case of an unfavorable decision, the amount excluded should be collected plus interest. The estimated amount of the contingency corresponds to R\$ 3,241 (there was no amount on December 31, 2022).

### ITR – amount to be declared

Charging of ITR due to de lack of payment based on a misinformation of the land size. The Receita Federal is challenging formal aspects related to the Declaration of Tax on the Territorial Rural Property (DITR). The estimated amount of the contingency corresponds to R\$ 2,093 (R\$ 1,891 on December 31, 2022).

### IOF - Tax on Financial Transactions in credit assignment operations

Collection of Tax on Financial Transactions on credit assignment operations with co-obligation carried out in 2015, due to the lack of payment of the Tax on Financial Transactions in these operations, which are characterized by the tax authorities as “securities discount” and subject to tax collection, Awaiting judgment at the administrative level. The requirement amounts to R\$ 1,338 (R\$ 1,229 on December 31, 2022).

### Unapproved compensation - Finsocial

Offsetting requests based on Finsocial credit, which was recognized by a definitive judicial decision (process n, 003829210,1996,4,03,6100). The IRS did not recognize the total amount of credit (the offsetting requests were partially recognized) and charged part of the debts plus penalty and interest. The Bank filed an administrative defense. Awaiting judgment at the administrative sphere. The estimated amount of the contingency corresponds to R\$ 785 (there was no amount on December 31, 2022).

### b) Labor

On December 31, 2023, labor lawsuits in progress classified by our legal counsel as probable loss totaled R\$ 13,267 - note 23,d (R\$ 13,286 on December 31, 2022). The labor lawsuits classified as possible loss totaled R\$ 53,144 (R\$ 40,403 on December 31,2022) and were not provisioned.

### c) Civil

On December 31, 2023, civil claims in progress classified by our legal counsel as probable loss totaled R\$ 3,216 - note 23,d (R\$ 3,150 on December 31,2022). The civil lawsuits classified as possible loss totaled R\$ 10,870 (R\$ 6,625 on December 31, 2022) and were not provisioned.

### d) Changes in provisions

	<b>Bank and Consolidated</b>			
	<b>Tax</b>	<b>Labor</b>	<b>Civil</b>	<b>Total</b>
At the beginning of the exercise – nota 13 Constitution / (Reversal)	6,681 (299)	13,286 (19)	3,150 66	<b>23,117</b> (252)
<b>At end of the exercise – nota 13</b>	<b>6,382</b>	<b>13,267</b>	<b>(b) 3,216</b>	<b>(a) 22,865</b>

(a) Note 23,c e (b) Note 23,b,

## Banco ABC Brasil S.A.

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### 24. Equity

#### a) Capital

On December 31, 2023 capital comprises 236,936,096 registered and uncertified shares (226,090,118 on December 31, 2022), without par value, of which 119,010,510 common shares (113,445,475 on December 31, 2022) and 117,925,586 preferred shares (112,644,643 on December 31, 2022).

#### b) Dividends and interest on equity

As established in the Bank's articles of incorporation, shareholders are entitled to an annual dividend of not less than 25% of net income adjusted as provided for in applicable law. Such dividend can, alternatively, be distributed in the form of interest on equity.

On the period ended December 31, 2023 and 2022, was paid/provisioned the amounts shown in the table below were accrued as interest on equity, calculated in accordance with the provisions of Law No, 9,249/95.

<u>Period</u>	<u>Interest on equity</u>	<u>Reduction in expenses with income and social contributions taxes</u>
03/31/2023	93,171	41,927
06/30/2023	91,668	41,251
09/30/2023	88,633	39,884
12/31/2023	83,687	37,660
<b>Total</b>	<b>357,159</b>	<b>160,722</b>
03/31/2022	68,905	31,007
06/30/2022	77,599	34,919
09/30/2022	79,942	35,974
12/31/2022	81,716	36,772
<b>Total</b>	<b>308,162</b>	<b>138,672</b>

Interest on equity is calculated on net equity accounts and limited to the long-term interest rate, conditioned to the existence of profit calculated before deduction or retained subscription earnings and income reserves in amount equal or two times higher its amount, respecting the limits according to Resolution CMN nº 4,885/20.

In compliance with the notice to the market, disclosed on March 28, 2023, the distribution of interest on shareholders' equity will be carried out on a semi-annual basis, pursuant to resolutions by the Board of Directors in the months of June and December. The current dividend distribution policy, with annual volumes based on the maximum limits of interest on own capital, in accordance with the legislation, and including the minimum dividend for the calendar year, remains unchanged.

On December 22, 2023, the Board of Directors the Banco ABC Brasil approved a proposal from the Executive Board to distribute interest on equity in the total gross amount of R\$ 172,320, which represents a gross amount of R\$ 0,7410 per common share and preferred share.

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On June 26, 2023, the Board of Directors the Banco ABC Brasil approved a proposal from the Executive Board to distribute interest on equity in the total gross amount of R\$ 184,839, which represents a gross amount of R\$ 0,8360 per common share and preferred share.

On December 26, 2022, the Board of Directors the Banco ABC Brasil approved a proposal from the Executive Board to distribute interest on equity in the total gross amount of R\$ 81,716, which represents a gross amount of R\$ 0,3700 per common share and preferred share.

On September 26, 2022, the Board of Directors the Banco ABC Brasil approved a proposal from the Executive Board to distribute interest on equity in the total gross amount of R\$ 79,942, which represents a gross amount of R\$ 0,3620 per common share and preferred share.

On June 24, 2022, the Board of Directors the Banco ABC Brasil approved a proposal from the Executive Board to distribute interest on equity in the total gross amount of R\$ 77,599, which represents a gross amount of R\$ 0,3520 per common share and preferred share.

On March 28, 2022, the Board of Directors the Banco ABC Brasil approved a proposal from the Executive Board to distribute interest on equity in the total gross amount of R\$ 68,905, which represents a gross amount of R\$ 0,3130 per common share and preferred share.

On July 11, 2023, the partners of the subsidiary ABC Brasil Corretora de Seguros LTDA. approved the dividends distribution in the total amount of R\$ 14,114, constituted with the profits determined in the balance sheet of June 30, 2023.

On January 16, 2023, the partners of the subsidiary ABC Brasil Corretora de Seguros LTDA. approved the dividends distribution in the total amount of R\$ 15,175, constituted with the profits determined in the balance sheet of December 31, 2022.

### c) Capital increase

On December 22, 2023, was deliberate by the Board of Directors the Banco ABC Brasil a capital increase of R\$ 146,472, through emission the new shares, through the emission of new shares, for the private subscription with the utilization of interest credit over own capital distributed or in the national currency. The capital increase will effective after ratification by the Central Bank of Brazil.

On June 26, 2023, was deliberate by the Board of Directors the Banco ABC Brasil a capital increase of R\$ 157,114, through emission the new shares, through the emission of new shares, for the private subscription with the utilization of interest credit over own capital distributed or in the national currency, approved by the Central Bank of Brazil on December 13, 2023.

### d) Destination of earnings

#### *i) Income reserve - legal reserve*

The establishment of compulsory legal reserve of 5% of net income on December 31, 2023 amounted of R\$ 42,579 (R\$ 40, 012 on December 31, 2022).

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### ii) *Income reserve - Dividend equalization*

At the Annual and Special Shareholders' Meetings held on April 30, 2008, the shareholders approved the creation of the account Income Reserve for Dividend Equalization, to which the retained earnings account balance is allocated, limited to 80% of capital, the latter of which is set up to maintain the shareholder payment flow.

### iii) *Income reserve - Repurchase of shares*

The reserve for repurchase of shares is set up to support the possible opening, after approval by the Board of Directors, of the program for repurchase of the Institution's shares, should market conditions indicate such possibility.

### e) Treasury shares

For the exercise ended December 31, 2023, based on authorization of the Board of Directors to acquire shares of Company for holding in treasury, 615,000 preferred shares were repurchased (450,000 in the exercise of 2022).

On December 31, 2023, the total amount of shares repurchased in treasury is R\$ 69,326 equivalent to 4,385,728 preferred shares (R\$ 82,162 equivalent to 5,237,311 on December 31, 2022). The average cost per share repurchased treasury on December 31, 2023 is R\$ 15,81 reais (R\$ 15,69 on December 31, 2022).

#### *Changes in quantity treasury shares*

	<u>December 2023</u>	<u>December 2022</u>
At the beginning of the exercise	5,237,311	5,997,557
Shares acquired	615,000	450,000
Shares delivered	(1,466,583)	(1,210,246)
<b>At the end of the exercise</b>	<b><u>4,385,728</u></b>	<b><u>5,237,311</u></b>

On September 26, 2022, the Board of Directors unanimously decided to approve a new Repurchase Program for Shares issued by the Company, for the purposes of remaining in treasury and subsequent disposal or cancellation, without reduction of the share capital.

The maximum period for conducting authorized operations will be 18 months from this date, having as final end on March 26, 2024, up to the limit of 6,700,000 preferred shares.

### f) Earnings per share

#### i) Basic earnings per share:

The basic earnings are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the exercise ended December 31, 2023 and 2022, excluding shares purchased by the Company and held as treasury shares (Note 24 e).

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	<b>2nd Semester 2023</b>	<b>Accumulated 2023</b>	<b>2nd Semester 2022</b>	<b>Accumulated 2022</b>
Net profit attributable to the parent	459,681	851,582	415,420	800,234
Weighted average daily shares outstanding	221,303,417	221,303,417	220,721,214	220,478,843
Basic earnings per share (Brazilian reais)	<b>2,08</b>	<b>3,85</b>	<b>1,88</b>	<b>3,63</b>

### ii) Diluted earnings per share

The diluted earnings per share is computed similar to basic earnings per share, but with the adjustment made by assuming the conversion of potentially dilutive shares in the denominator.

	<b>2nd Semester 2023</b>	<b>Accumulated 2023</b>	<b>2nd Semester 2022</b>	<b>Accumulated 2022</b>
Net profit attributable to the parent	459,681	851,582	415,420	800,234
Weighted average daily shares outstanding	224,373,146	224,373,146	223,298,510	222,864,336
Diluted earnings per share (Brazilian reais)	<b>2,05</b>	<b>3,80</b>	<b>1,86</b>	<b>3,59</b>

## 25. Operational limits - The Basel Accord

The Central Bank of Brazil, through Resolution CMN No, 4,955/21, instituted the determination of the reference equity on a consolidated basis for the financial conglomerate and by Resolution No, 4,958/21 instituted calculating the minimum equity required for reference the Risk Weighted Assets (RWA), both with effect from January 2022. The capital adequacy ratio for December 31, 2023 calculated based on the prudential conglomerate is 14,94% (15,23% December 31, 2022), The table below shows the calculation of the minimum equity required for the reference risk weighted assets (RWA) which is 8,00% since 2019.

	<b>December 2023</b>	<b>December 2022</b>
Credit risk	3,204,109	2,977,663
Interest Rate	218,362	93,190
Commodities	116,613	85,521
Shares	72	45
Operating risk	270,034	200,431
Exchange risk	22,066	24,714
CVA	36,430	-
<b>Required capital base (PRE)</b>	<b>3,867,686</b>	<b>3,381,564</b>
<b>Reference equity (PR)</b>	<b>7,225,300</b>	<b>6,439,379</b>
<b>Excess of equity in relation to limit</b>	<b>3,357,614</b>	<b>3,057,815</b>
<b>Conciliation shareholders' equity</b>		
Shareholders' equity		
Subordinated financial bills - Level II	5,885,371	5,207,403
Perpetual Subordinated financial bills - Level I	1,079,608	895,880
Intangible assets	502,457	505,037
Non-controlling shareholders interest	(211,142)	(146,860)
Object of Financing of Conglomerate Entities	(15,053)	(2,962)
Tax Credit for Tax Loss Deducted from Capital	(15,941)	(19,119)
<b>Total reference equity x shareholders' equity</b>	<b>7,225,300</b>	<b>6,439,379</b>

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### 26. Other information

Offset and settlement of liabilities agreement - the Bank has an agreement on the offset and settlement of liabilities under the Brazilian National Financial System, in accordance with CMN Resolution No, 3,263/05, resulting in added guarantees of settlement of their assets with financial institutions that are party to the agreement, The total assets included in this agreement as of December 31, 2023 amount to R\$ 1,648,224 (R\$ 519,903 on December 31, 2022).

### 27. Reconciliation of Equity and Net Income, under BRGAAP and IFRS

We present below the major adjustments (net of taxes) identified between the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil ("BRGAAP") and the International Financial Reporting Standards ("IFRS") for the exercise ended December 31, 2023 and 2022.

	<u>December 2023</u>	<u>December 2022</u>
<b>Equity under BRGAAP</b>	<b>5,885,371</b>	<b>5,207,403</b>
Allowance for losses on loans and advances to clients	(a) (38,914)	26,786
Guarantees and responsibilities	(a) 2,919	9,640
Others	40,525	(7,322)
<b>Equity under IFRS</b>	<b>5,889,901</b>	<b>5,236,507</b>
<b>Net income under BRGAAP</b>	<b>851,582</b>	<b>800,234</b>
Allowance for losses on loans and advances to clients	(a) (39,981)	(2,513)
Guarantees and responsibilities	(a) (6,721)	(4,681)
Others	(4,027)	(3,322)
<b>Net income under IFRS</b>	<b>800,853</b>	<b>789,718</b>

#### a) Allowance for losses on loans and advances to clients

In the adoption of IFRS 9, there was a change in the calculation model of incurred loss (IAS 39) to expected loss, considering forward-looking information, On BRGAAP, the concept of incurred loss is used, pursuant to CMN Resolution No, 2,682/99.

### 28. Non-recurring income

As provided for BCB Resolution 02/20, the result that is not related or incidentally related to the Bank's typical activities and is not expected to occur frequently in future years should be considered as a non-recurring result, In the years ended December 31, 2023 and 2022, there was no income classified as non-recurring.



## **Banco ABC Brasil S.A.**

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### **The Directors**

#### **Executive Comitee**

Antonio José Nicolini  
Antonio Sanchez Junior  
Izabel Cristina Branco  
João Marcos Pequeno De Biase  
Leopoldo Martinez Cruz  
Marco Antonio Ascoli Mastroeni  
Renato Pasqualin Sobrinho  
Sergio Lulia Jacob  
Sergio Ricardo Borejo

#### **Directors**

Adriana Fernandes Peres  
Alexandre Yoshiaki Sinzato  
Carlos Augusto Del Monaco De Paula Santos e Silva  
Daniel Credidio Brandão Barbosa de Oliveira  
Edgard de Souza Toledo Neto  
Everthon Novaes Vieira  
Felipe Sene Tamburus  
Gustavo Machado Vieira de Almeida  
Marcos Chadalakian  
Mauro Sanchez (\*)  
Rafael Ferreira Garrote Paiva (\*)  
Ricardo Miguel de Moura  
Rodrigo Andreos Cordeiro  
Rodrigo Montemor  
Rodrigo Ribeiro  
Rodrigo Sotero Galvão

(\*) Awaiting approval from the Central Bank of Brazil

## **Banco ABC Brasil S.A.**

Management report

### **Performance in the year of 2023**

We submit to your consideration the individual and consolidated accounting information of Banco ABC BRASIL S.A. for the year of 2023.

#### **Banco ABC BRASIL S.A.**

Banco ABC Brasil S.A. is a commercial bank specialized in lending and providing services for middle and large companies. Nonetheless, it is one of the few Brazilian banks featuring international control and local autonomy.

The bank is managed by a highly qualified team of senior executives, who are also shareholders of the bank, holding vast experience in financial markets and having broad autonomy for decision taking, in addition to the capability to foresee and explore sectorial and cyclical opportunities in the Brazilian economy.

Banco ABC Brasil S.A. is present in Brazil since 1989, and from this date on has been building a solid Corporate Clients portfolio by offering wide high value-added financial products. Nevertheless, the Bank is recognized by its robust expertise on credit risk assessment and concession.

Banco ABC Brasil S.A. is listed in the Level 2 of Corporate Governance of São Paulo Stock Exchange (B3 S.A - Brasil, Bolsa, Balcão).

#### **Shareholding Structure**

As of December 31, 2023 the shareholding structure of Banco ABC Brasil S.A. was the following: Bank ABC (through Marsau Uruguay Holdings): 62.4%; Free float: 30.4%; Management and Board members: 5.3%; and Treasury Stock: 1.9%.

#### **Business Profitability**

Banco ABC BRASIL S.A. reported net income of R\$851.6 million in the year of 2023 (R\$800.2 million in the year of 2022), reaching a return on average equity of 15.5% pa in the year of 2023 (16.2% pa in the year of 2022).

The growth of the Bank's Net Income, compared to last year, is mainly explained by the increase in the Financial Margin with Clients, by the increase in Financial Margin with Market and by the increase in the Shareholders' Equity Remunerated at CDI. The result was partially offset by the increase in the Provision Expenses and the increase in the Personnel, Administrative and Profit Sharing Expenses.

#### **Credit Portfolio**

The credit portfolio (including loans and guarantees issued) totaled R\$35.3 billion as of the end of December, 2023 (R\$36.9 billion as of the end of December, 2022). Regarding the credit portfolio quality, 94.0% of the loan transactions and 98.4% of the guarantees issued transactions were rated between AA and C at the end of December, 2023, in accordance with Brazilian Central Bank Resolution No. 2682. Considering both portfolios, the ratio was 95.4%. The amount provisions for expected losses associated with credit risk was equivalent to 3.60% of the loan portfolio as of the end of December, 2023 (2.73% as of the end of December, 2022).

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### **CVM Ruling 80/2022**

In compliance with CVM Ruling No. 80 of March 29, 2022, which provides for the need to disclose, by audited entities, information on service performance by the Independent Auditor, Banco ABC BRASIL S.A., informs that independent audit services of the financial statements of the Bank and its controlled companies are provided by Ernst & Young Auditores Independentes S.S Ltda.

We declare that services have been provided, with a term of less than one year, related to (i) Limited Assurance on ESG reporting and (ii) Previously agreed procedure on operations guaranteed by the FGI PEAC program. We paid a total amount of R\$162 thousand related to such services, which is equivalent to approximately 7.7% of the external audit fees related to the financial statements for the year ended December 31, 2022 of the Bank and its subsidiaries.

The policy adopted meets the principles that preserve Auditor's independence, in accordance with criteria internationally accepted. These principles are as follows: 1) the auditor must not audit his/her own work; 2) the auditor must not perform managerial activities in his/her customer; 3) the auditor must not promote his/her customer's interests.

### **Securities Portfolio**

At the end of the exercise, Banco ABC BRASIL S.A. accounted to R\$2,599.3 million in securities classified as "held to maturity", in accordance with Circular No. 3,068/01 of the Central Bank of Brazil. The Bank has the financial capability and intention to hold these securities to maturity.

### **Arbitration Clause**

Banco ABC BRASIL S.A. is subject to arbitration in the Market Arbitration Chamber, in accordance with the Arbitration Clause contained in its Articles of Association.

### **Risk Management**

#### **1) Corporate Risk**

To Banco ABC Brasil risk management is a process aimed at creating and preserving the institution's value, providing reasonable assurance that events that may affect the institution are identified and continuously managed according to its risk appetite. Therefore, to meet Resolutions Nos. 4,557/17, 4.745/19 and 4.945/21 of the Central Bank of Brazil, the bank maintains specific structures to deal with risk management, capital management, and environmental and social responsibility, respectively. To meet the aforementioned resolutions and Resolution BCB 54/20 of the Central Bank of Brazil, the information related to the risk management process of Banco ABC Brasil is available in its website on internet, available through the following URL: [www.abcbrasil.com.br](http://www.abcbrasil.com.br) > Relações com Investidores > Serviços de RI > Fatores de risco > Estrutura de gestão de risco - Banco ABC Brasil.

Corporate Risk Management is the responsibility of all areas and employees. They must perform their activities and timely identify risks, failures, and deficiencies and inform areas better positioned to deal

with them. Despite being a responsibility of all areas and employees, it is managed in a centralized manner by the Vice-Presidency of Credit and Risk Management, acting as a second line of defense.

## **Banco ABC Brasil S.A.**

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The Bank's governance structure considers that the company must be managed with a main focus on value creation for shareholders, without injuring the rights of interested parties and complying with the laws that regulate the markets, according to accepted and recommended ethical standards. Such structure is based on the regulations of B3 S.A. – Brasil, Bolsa, Balcão, the Brazilian Securities and Exchange Commission (CVM), and the Central Bank of Brazil, counting on. It is based on bodies defined by the current regulation, such as the Board of Directors and Audit Committee, and supported by internal ones, such as the Board Risk Committee and the Executive Committee, as well as other operating committees, such as the Credit Committee, the Financial Committee, and the Operational Risk and Compliance Committee.

The Board of Directors is responsible for defining the risk appetite of the institution, the approval of business strategies, and the maintenance of high governance standards. It should ensure the effectiveness of the risk management framework, providing independence and resources for its proper functioning. Accordingly, it is supported by bodies and committees created for this purpose.

The Executive Committee is responsible for executing the definitions set by the Board of Directors and for managing the activities of the institution.

### **2) Operational Risk**

The Bank acknowledges that Operational Risk is a specific risk category and should be managed as such. It should cover the institution as a whole, involving all its employees, including third-party service providers and considering its processes, activities, systems, products and physical structure. Operating risk management also includes legal risks.

Operational risk management is organized in three defense lines: 1) managers of several areas; 2) Risk Management area and Operational Risk and Compliance Committee and 3) Internal Audit.

Management is based on ongoing identification, assessment, monitoring, control and mitigation of risks through specific tools. The effectiveness of actions is reinforced by timely communication to management, involvement of people, and the efforts to spread a risk management culture. The Operational Risk, Compliance and Information Security Committee is the internal body that discusses operational risk, business continuity management, compliance, information security and internal control matters.

### **3) Market and Liquidity Risks**

The market and liquidity risks are managed through internal information and tools operated by the Risk Management area, which centralizes the control activities, monitoring the portfolio exposures, as well as current and future acceptable liquidity levels.

Treasury executes the decisions taken by the Financial Committee and manages proprietary positions within the limits determined. It also manages the funding as well the inflow and outflow gap. The Financial Committee formally discusses such exposures in its weekly meetings and designs a strategy for the subsequent period.

The Risk Management area provides daily information to the Management, Treasury, and members of the Financial Committee. It also prepares periodic specific reports to the Board of Directors and the Audit Committee. Furthermore, it has to disclose the Bank's risk appetite to the areas involved in the liquidity and market risk management and in the design of new products or activities.

## **Banco ABC Brasil S.A.**

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### **4) Credit Risk**

Credit risk management covers the bank's activities of authorization, execution, control and monitoring. This also includes not only individual outlook for economic groups, clients and operations, but also the aggregate risk factors of the portfolio, such as concentration in a sector, product or region.

The approval of client relationships and of the concession of credit lines is the responsibility of the Credit Committee, up to the limits under Administrative jurisdiction. Beyond that limit, the Board Risk Committee has exclusive rights of approval.

The process of management is dynamic and shared, notably in the areas of Credit Risk Analysis, Administration, and Management, which are parts of the structure of the Vice-Presidency of Credit and Risk Management. This seeks to assure that risks are within defined limits and that the coverage of required collaterals are at required levels, with the expected quality and accessible to the Bank in case of default.

The Credit Risk Management area is also responsible for monitoring the credit portfolio. This includes portfolios quality monitoring and execution of stress tests, as well as the development and performance of models for attributing counterparty and transaction risk classification. The area also monitors risk concentration and evaluates the impacts of adverse scenarios.

### **5) Environmental and Social Responsibility**

The Social and Environmental and Climate Responsibility Policy ("PRSAC") approved by the Council in 4Q22 outlines the guidelines for the identification, evaluation, monitoring, mitigation, and control of socio-environmental and climate risk, in compliance with Resolution 4.945/21 of the Central Bank of Brazil.

The ABC Brasil has research tools, internal analysis processes, and governance structure that provide the management of these risks in an integrated way with credit and market risk management. The Bank also applies, in accordance with internal eligibility criteria, questionnaires, and socio-environmental due diligence to clients.

### **6) Capital Management**

The Executive Committee conducts the capital management jointly with the Board of Directors, based on activities coordinated by the Finance area, which is also responsible for structuring the annual strategic plan and monitoring the budget. The Risk Management area is fully integrated into the process. In compliance with Resolution No. 4,557/17 and 4.745/19 of the Central Bank of Brazil, the information relating to capital management in Brazil is available on its website on the internet, available through the following URL: [www.abcbrasil.com.br](http://www.abcbrasil.com.br) > Relações com Investidores > Serviços de RI > Fatores de Risco > Estrutura de gestão de capital - Banco ABC Brasil.

## **Banco ABC Brasil S.A.**

Management report

### **7) Compensation Committee**

The ABC Brasil has a Compensation Committee established in the General Shareholder's Meeting of April 30, 2012 that shall be responsible for (i) to prepare the remuneration policy of the Bank's directors and its subsidiaries, proposing to the Board of Directors the various forms of fixed and variable remuneration, in addition to benefits and special programs for recruitment and dismissal; (ii) supervising the implementation and operation of the compensation policy for the institution's managers; (iii) reviewing on an annual basis the institution's management compensation policy and recommending to the Board of Directors any correction or improvement; (iv) proposing to the Board of Directors the sum of overall compensation for managers to be submitted to the General Shareholders Meeting in accordance with article 152 of Corporation Law; (v) assessing future internal or external scenarios and their possible impacts on management compensation; (vi) analyzing the institution's management compensation policy in relation to market practices in order to identify significant discrepancies in relation to similar companies and proposing adjustments when necessary; (vii) ensuring that the management compensation policy is always compatible with the risk management policy, with the institution's current and projected objectives and financial position as well the provisions of that resolution; and (viii) preparing on an annual basis in a ninety day period as from December 31, each year a document known as the Compensation Committee Report as provided in Resolution No. 3,921/10 and Resolution No. 4.656/18 of Brazil's National Monetary Council.

### **8) Compliance Risk**

The Banco ABC Brasil, through the areas of business and support (1<sup>st</sup> Line of Defense), Compliance Agents, which are present in all areas of the Bank and with the support of the institutional area of Regulatory Compliance (2<sup>nd</sup> Line of Defense), seeks to ensure compliance with the regulatory requirements of regulatory agencies. Compliance risk is considered, the possibility of companies that are members of group ABC Brasil and/or its subsidiaries to suffer legal or administrative sanctions, financial losses, reputational damages or other damages resulting from non-compliance or failures in compliance with the legal framework, infralegal regulation or corporate principles and values.

The Compliance area is the unit responsible for managing the compliance risk of the ABC Brasil Group, pursuant to CMN Resolution No. 4.595/17. The compliance culture is the responsibility of all, the administrators and employees of the Institution, who must know their responsibilities, complying with the legislation and regulations, and internal regulations applicable to their business and their duties. The form of action of the Compliance area includes preventive, detectable and corrective actions.

São Paulo, February 05, 2024.

The Management



## **Summary report of the Audit Committee**

As a result of its assessments and due diligence, the Audit Committee considers the organization's internal control environment and risk management processes as adequate, supporting the quality of the processes for preparation of the Financial Statements and explanatory notes (individual and consolidated), in accordance with the accounting practices adopted in Brazil and standards issued by the Central Bank of Brazil and CVM (Securities and Exchange Commission).

Thus, considering the scope of its attributions and responsibilities, the Audit Committee recommends to the Board of Directors the approval of the audited individual and consolidated financial statements of Banco ABC Brasil S.A., for period January to December 2023.

The full Audit Committee report, detailing the scope of its work and diligence, will be available on the Banco ABC Brasil S.A., website (<https://ri.abcbrasil.com.br>) and available to interested parties in the "Corporate Governance" section.

Sao Paulo, February 05, 2024

## **The Audit Committee**



Abiding by CVM Rule No, 480, dated December 7, 2009, the undersigned parties, Executive Board members of Banco ABC Brasil S,A,, listed at Corporate Governance Level 2 (Code ABCB4), REPRESENT hereby that they:

a) Reviewed, discussed and agreed with the financial statements for the year ended December 31, 2023,

b) Reviewed, discussed and agreed with the opinion expressed in the independent auditor's report of Ernst & Young Auditores Independentes S,S Ltda,, on the Bank's financial statements for the year ended December 31, 2023,

Sao Paulo, February 05, 2024,

Sergio Lulia Jacob  
Director President

Sérgio Ricardo Borejo  
Director Vice - President of Administrative

Marcos Chadalakian  
Director